

| | | | | | |
|----------------------|----------|-----------------|------------------------|-------------|---------------------------|
| 6/09/2016 DATE IN | SUSPENSE | PEG ENGINEER | 6/09/2016 LOGGED IN | SWD TYPE | PMAM1616159370 APP NO. |
|----------------------|----------|-----------------|------------------------|-------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

*Refers to
dull island*

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

*- SWD 1641
- R360 Permian Basin LLC
289936
- well
- Outer Banks SWD #1
30-015-Permian
Pool
- SWD, Devonian
96101*

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☒ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Luke Boss *Luke Boss* *Legislative & Regulatory Affairs* *5-17-16*
Print or Type Name Signature Title Date
lukb@R360ES.com
e-mail Address



WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

Mr. William Jones, Bureau Chief
Engineering and Geological Services
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commercial SWD Well Application, Outer Banks SWD #1 Well, R360 Permian Basin, LLC, Unit I (NE/4, SE/4), Section 13 Township 20 South, Range 29 East, Eddy County, New Mexico

Dear Mr. Jones,

R360 Permian Basin, LLC (R360), a wholly owned subsidiary of Waste Connections, Inc., submits the enclosed application to the New Mexico Oil Conservation Division (OCD) to permit, construct and operate a commercial salt water disposal (SWD) well (Outer Banks SWD #1) in Unit I (NE/4, SE/4), Section 13 Township 20 South, Range 29 East, in Eddy County, New Mexico. The well will be located 1990' FSL and 955' FEL. The well will be located on property owned by the U.S. Government and administered by the Bureau of Land Management (BLM). The well will be used to reinject liquid E & P waste into the Devonian section between 13,180 and 14,180 feet. Notification and a copy of the permit application were sent to the NMOCD District 2 office in Artesia, New Mexico, surface mineral and lease owners within ½ mile of the proposed SWD well. Copies of the notification letters and certified mail receipts are presented in Attachment XIII of the application. Please contact me at (281) 873-3202, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs | Development

cc: Randy Bayliss – OCD District 2

Enc/



APPLICATION FOR AUTHORIZATION TO INJECT

RECEIVED OOD

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? Yes No 7/11/03 - 9 P 2: 22
- II. OPERATOR: R360 Permian Basin, LLC (a wholly owned subsidiary of Waste Connections, Inc.)
ADDRESS: 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380
CONTACT PARTY: Chris Ruane, Director of Engineering PHONE: (832) 442-2204
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes ☒ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Luke Bross TITLE: Legislative & Regulatory Affairs Manager
SIGNATURE: [Signature] DATE: 6/7/16
E-MAIL ADDRESS: lukeb@R360ES.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: _____

OUTER BANKS SWD WELL #1

PERMIT APPLICATION

Unit I (NE/4, SE/4), Section 13

Township 20 South, Range 29 East

Eddy County, New Mexico

LAI Project No. 15-0126-00

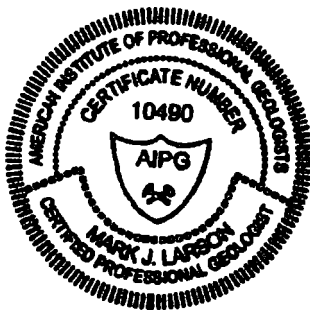
May 20, 2016

Prepared for:

R360 Permian Basin, LLC
3 Waterway Square Place, Suite 110
The Woodlands, Texas 79705

Prepared by:

Larson & Associates, Inc.
507 North Marienfeld, Suite 205
Midland, Texas 79701



A handwritten signature of Mark J. Larson, consisting of a stylized 'M' and 'J' followed by a horizontal line.

Mark J. Larson

Certified Professional Geologist #10490

A handwritten signature of Michael T. Gant, featuring a stylized 'M' and 'G' followed by a horizontal line.

Michael T. Gant

Staff Geologist

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: R360 Permian Basin, LLC (a wholly owned subsidiary of Waste Connections, Inc.)

ADDRESS: 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380

CONTACT PARTY: Chris Ruane, Director of Engineering PHONE: (832) 442-2204

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

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*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

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XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Luke Bross

TITLE: Legislative & Regulatory Affairs

SIGNATURE: [Signature]

DATE: 10/1/15

E-MAIL ADDRESS: lukelb@R360ES.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: _____

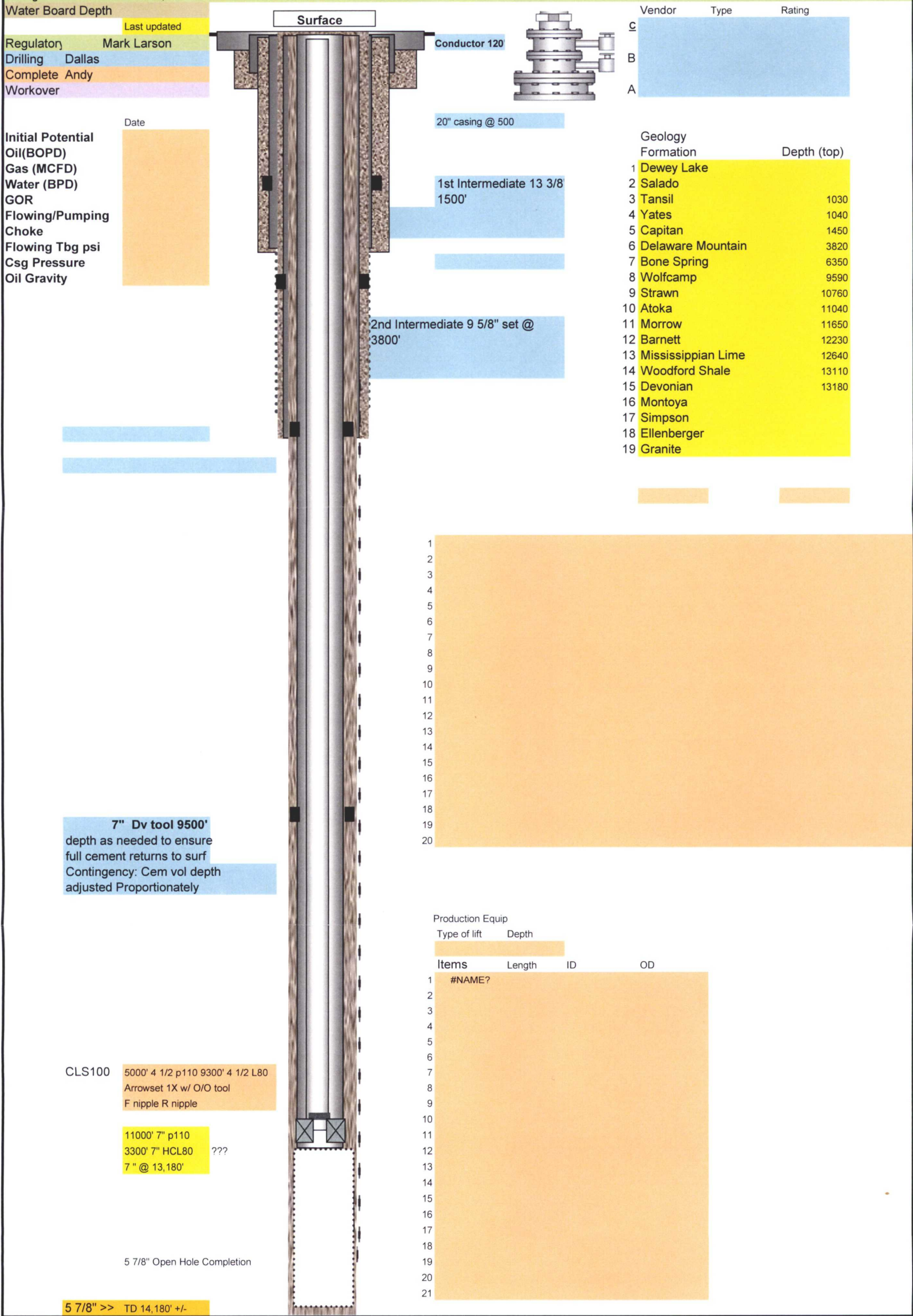
DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

ATTACHMENT III

Injection Well Data Sheet

Cambrian Management
EXECUTIVE SUMMARY WELLBORE DIAGRAM

| | | | | | | | | | | |
|-------------------|------------------------|-----------|-------------|-------------|---------------|----------|---------------------------|---------|-------------|--------------|
| WELL NAME: | R 360 Outer Banks | | | STATE: | New Mexico | | Permit # | | Job # | |
| LOCATION: | T20S, R29 E Section 24 | | | COUNTY: | Eddy | | Spud | TD | Rig Release | rig Days |
| LOCATION: | | | | DATE | | Drill | | | | 0 |
| ELEVATION: | | | | | | Complete | | | | 0 |
| API# | | | | | | | TVD | 14,180' | PBTD | |
| Drill Contractor | TBD | | | PREPARED BY | A Rickard | | Total Depth | 14,180 | | |
| | DEPTH | HOLE SIZE | CASING SIZE | WEIGHT | GRADE | THREAD | CMT | CMT VOL | TOC | centralizers |
| Conductor CASING: | | | | | | | See cement slurries below | | | |
| Surf CASING: | 500 | 26" | 20" | 106.4 ppf | J55 | LTC | See cement tab on bottom | | surface | TBD |
| 1st Int CASING: | 1500 | 17 1/2 | 13 3/8" | 68 ppf | J-55 | LTC | | | surface | TBD |
| 2nd Int CASING: | 3,800 | 12 1/4" | 9 5/8" | 53.5 | L-80 | LTC | | | surface | TBD |
| Prod Casing | 13,180 | 8 1/2" | 7" | 35/29/35 | CL80-P110-HCL | LTC | | | surface | Temp Survey |
| Tubing | 13,180 | 5 7/8" | 4 1/2 | 11.6 | P110-L80 | 8rnd LTC | | | | 9500' |



Drilling Plan

1. **Location:**

Legal: 1990' FSL 955' FEL Unit I (NE/4, SE/4) Section 13, Township 20 South, Range 29 East
Eddy County, New Mexico

GPS: 32.5715833° -104.0230028°

O&G Lease#: NMNM-110350

2. **Elevation Above Sea Level: 3,333"**

3. **Geologic Name of Surface Formation: Alluvium**

4. **Proposed Drilling Depth: 14,000'**

5. **Estimated Tops of All Geologic Formations:**

| Formation | Estimated Top (feet) | Bearing |
|--------------------------|----------------------|---------------------------------|
| Triassic | | <10' of perched water @ 40' BGS |
| Salado | | N/A |
| Tansil | 1,030 | N/A |
| Yates | 1,140 | N/A |
| Capitan | 1,450 | N/A |
| Delaware Mountain | 3,820 | Hydrocarbons |
| Bone Spring | 6,350 | Hydrocarbons |
| Wolfcamp | 9,590 | Hydrocarbons |
| Strawn | 10,760 | Hydrocarbons |
| Atoka | 11,040 | Hydrocarbons |
| Morrow | 11,650 | Hydrocarbons |
| Barnett | 12,230 | Hydrocarbons |
| Mississippian Lime | 12,640 | Hydrocarbons |
| Woodford Shale | 13,110 | Hydrocarbons |
| Devonian (Target) | 13,180 | N/A |
| Montoya | | N/A |
| Simpson | | N/A |
| Ellenberger | | N/A |

Outer Banks Drilling Plan

1. **Location:**

Legal: 1990' FSL 955' FEL Unit I (NE/4, SE/4) Section 13, Township 20 South, Range 29 East
Eddy County, New Mexico

GPS: 32.5715833° -104.0230028°

O&G Lease#: NMNM-110350

2. **Elevation Above Sea Level:**

3. **Geologic Name of Surface Formation:** Alluvium

4. **Proposed Drilling Depth:** 14,180'

5. **Estimated Tops of All Geologic Formations:**

| Formation | Estimated Top (feet) | Bearing |
|--------------------|----------------------|---------------------------------|
| Triassic | | <10' of perched water @ 40' BGS |
| Dewey Lake | | |
| Salado | | N/A |
| Tansil | 1030 | N/A |
| Yates | 1140 | N/A |
| Capitan | 1450 | N/A |
| Delaware Mountain | 3820 | Hydrocarbons |
| Bone Spring | 6350 | Hydrocarbons |
| Wolfcamp | 9590 | Hydrocarbons |
| Strawn | 10760 | Hydrocarbons |
| Atoka | 11040 | Hydrocarbons |
| Morrow | 11650 | Hydrocarbons |
| Barnett | 12230 | Hydrocarbons |
| Mississippian Lime | 12640 | Hydrocarbons |
| Woodford Shale | 13110 | Hydrocarbons |
| Devonian (Target) | 13180 | N/A |
| Montoya | | N/A |

6. **Proposed Casing Program:**

| Name | Hole (inches) | Size (inches) | Setting Depth (Feet) | Grade | Weight (lbs/ft) | Thread | Condition | Burst SF | Coll. SF | Ten. SF |
|------------------------------|---------------|---------------|----------------------|-------|-----------------|--------|-----------|----------|----------|---------|
| Surface | 26 | 20 | 500 | J55 | 106.4 | LTC | New | 1.2 | 1.125 | 1.6 |
| 1 st Intermediate | 17 ½ | 13 ¾ | 1500 | J55 | 68 | LTC | New | 1.2 | 1.125 | 1.6 |
| 2 nd Intermediate | 12 ¼ | 9 ⅝ | 3800 | L80 | 53.5 | LTC | New | 1.2 | 1.125 | 1.6 |
| Production | 8 ½ | 7 | 0-120 | HCL80 | 35 | LTC | New | 1.2 | 1.125 | 1.6 |
| Production | 8 ½ | 7 | 120-11,230 | P-110 | 29 | LTC | New | 1.2 | 1.125 | 1.6 |
| Production | 8 ½ | 7 | 11,230-13,180 | HCL80 | 35 | LTC | New | 1.2 | 1.125 | 1.6 |
| Tubing | 5 ⅞ | 4 ½ | 0-5,000 | P-110 | 11.6 | LTC | New | 1.2 | 1.125 | 1.6 |
| Tubing | 5 ⅞ | 4 ½ | 5,000-13,150' | L-80 | 11.6 | LTC | New | 1.2 | 1.125 | 1.6 |
| Open Hole | 5 7/8 | | 13,180-14,180 | NA | NA | NA | NA | | | |

7. **Drilling Procedure:** Spud well and drill down each interval to total depth of that interval, staying in compliance with OCD/BLM rules and regulations and following this APD drilling plan. Each casing string will be cemented and cement will be circulated to surface. There are DV Tools in the casing strings to insure getting cement all the way to surface. Mud weights are spelled out below in paragraph 10 – Types and Characteristics of mud system. After reaching total casing depth of 13,180', OH Logs (Paragraph 12) will be run 13,180'-3,800' GR-CNL to surf, we will cement the 7" as spelled out in this APD. We will pick up a 5 7/8" bit to drill the injection interval for the open-hole completion; OH logs (see Paragraph 12) will be run TD-13,180'. The depths from 13,180' to 14,180' will not have a casing string, thus an "open-hole" completion. The Devonian target zone for injecting is a depleted zone considered to be under pressured and will be drilled with cut brine 8.4-8.9 PPG. The injection tubing will be set to depth of 13,150' inside the 7". All intervals will be logged prior to running casing per BLM/OCD requirements.

8. **Pressure Controls:**

A 10M 13-5/8" BOP system (Double Ram and Annular preventer) and 2 power chokes installed on manifold and 1 manual choke per BLM Onshore Order 2, will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be test per BLM Onshore Oil and Gas Order 2.

A 10M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be test per BLM Onshore Oil and Gas Order 2.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories, include a Kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

9. Cement Program:

Surface: TD @ 500' - Float/Landing Collar set @ 458'. We will circulate cement to surface

| Interval | Amount (sacks) | Ft of Fill | Excess (%) | PPG | Ft ³ /sx | Volume (ft ³) | Cement Type |
|----------|----------------|------------|------------|------|---------------------|---------------------------|---------------------------------|
| Tail | 874 | 500 | 100 | 14.8 | 1.33 | 1159 | Class C + 0.125 lb/sk Polyflake |

1st Intermediate: TD @ 1500' – Stage 1 float collar @ 1458' We will circulate cement to surface.

13 3/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust DVT depth per circulation requirements. The current estimated setting is N/A and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

| Interval | Amount (sacks) | Ft of Fill | Excess (%) | PPG | Ft ³ /sx | Volume (ft ³) | Cement Type |
|--------------|----------------|------------|------------|------|---------------------|---------------------------|--|
| Stage 1 Lead | 438 | 900' | 100 | 11.9 | 2.45 | 243 | Class C + 2% Sodium Metasilicate + 0.1% Dispersant + 0.2% Antifoam + 0.2% Retarder |
| Stage 1 Tail | 679 | 600' | 100 | 14.8 | 1.33 | 901 | Class C + 0.125 lbs/sk Polyflake |

2nd Intermediate: TD @ 3800'. Stage 1 Float Collar 3758'

9 5/8 Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is N/A and cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

| Interval | Amount (sacks) | Ft of Fill | Excess | PPG | Ft ³ /sx | Volume (ft ³) | Cement Type |
|--------------|----------------|------------|--------|------|---------------------|---------------------------|---|
| | | | (%) | | | | |
| Stage 1 Lead | 528 | 3200 | 50 | 11 | 2.47 | 1302 | TXI + 2% Sodium Metasilicate + 0.2 % Dispersant + 0.2% Antifoam + 0.4% Retarder |
| Stage 1 Tail | 225 | 600 | 50 | 14.8 | 1.33 | 299 | Class C + 0.3% Retarder + 0.2% Antifoam |

Production: Stage 1 Float/Landing Collar set @ 13,150', Stage 2 Collar set @ 9500' and possibly 5500'. We will circulate cement to surface.

7" Contingency Cement design as follows:

If hole conditions warrant and we will adjust ECP/DVT depth per circulation requirements. The current estimated setting is 9500' and possibly 5500' cement volumes will be adjusted proportionally to maintain equivalent excess in all slurries.

| Interval | Amount (sacks) | Ft of Fill | Excess | PPG | Ft ³ /sx | Volume (ft ³) | Cement Type |
|--------------|----------------|------------|--------|------|---------------------|---------------------------|---|
| | | | (%) | | | | |
| Stage 1 | 337 | 3070 | 25 | 13.5 | 1.29 | 487 | TXI + 1.5 gal/sk GASBLOK +0.08 gal/sk D80 Dispersant + 0.04 gal/sk D801 Retarder + 0.05 gal/sk D175A Antifoam + 2% D176 Expanding Agent |
| Lead | | | | | | | |
| Stage 1 Tail | 104 | 610 | 25 | 16.4 | 1.09 | 112 | Class H + 0.4% D167 Fluid loss + 0.3% D800 Retarder + 2% D176 Expanding agent |
| Stage 2 Lead | 535 | 8700 | 25 | 11.5 | 2.39 | 1271 | TXI + 10% D154 Extender + 0.6% D112 Fluid loss + 0.1% D208 Viscosifier + 3% D174 Expanding Agent + 4 lbs/sk Mica + 0.2% D65 Dispersant |
| Stage 2 Tail | 116 | 800 | 25 | 16.4 | 1.09 | 127 | Class H + 0.4% D167 Fluid loss + 0.3% D800 Retarder + 2% D176 Expanding agent |

The contingency ECP/DVT tool setting depth may change and cement will be adjusted accordingly.

10. **Type and Characteristics of Mud System:**

| Depth MD/TVD (ft) | Mud Type | Mud Density (ppg) | Viscosity (sec/1000cc) | Plastic Viscosity (cP) | Yield Point (lb/100ft ²) | API Fluid Loss (cc) | pH | LGS % |
|-------------------|--|-------------------|------------------------|------------------------|--------------------------------------|---------------------|------------|-------|
| 120 – 500 | New Gel/Soda Spud Mud | 8.8 – 9.2 | 60 – 70 | 12 – 28 | 12 – 34 | 20 | +/-9.0 | <6 |
| 500 – 1,500 | Brine Water | 10.0 – 10.1 | 29 – 30 | 0 – 1 | 0 – 1 | NC | 9.5 – 10.0 | <6 |
| 1,500 – 3,800 | Existing Brine to New Zan D/White Starch/ Barite | 10.0 -10.1 | 29 – 30 | 0 – 1 | 0 – 1 | NC | 9.5 – 10.0 | <6 |
| 3,800 –13,180 | | 10.1 – 11.5 | 36 – 44 | 6 – 14 | 12 – 18 | 10 – 12 | 9.5 – 10.0 | <6 |
| 13,180- 14,180 | Cut brine | 8.4 - 8.9 | 28 - 30 | 0 - 1 | 0 - 1 | NC | 9. – 9.5 | <6 |

Our goal for all DVT and ECP is to run with full intentions of running the 2 stage job. This will help insure good tail cement and help insure cement to surface.

11. **Air Drilling Description:** Not applicable.

12. **Testing, Coring, and Logging Procedures:**

- A. Mud logging program: 2 man unit from 3,800' (setting depth of salt string) to TD.
- B. Electric logging program: open hole logs CNL / LDT / CAL / GR, DLL / SGR (CNL/GR from base of Intermediate casing to surface) from 13,180' to Intermediate casing CNL/LDT/Cal/SGR/DLL w/micro and CNL/LDT/Cal/SGR/DLL w/micro from TD-14,180-13,180'
Cased Hole Logs
 CBL w/ CCL from base of Intermediate casing to surface (if cement is not circulated to surface)
 CBL w/ CCL from base of production casing DV tool at 9,500' to 5,500' to surface
- C. No DST's or cores are planned
- D. Sonic log: not required but available if needed

13. **Expected Bottom Hole Pressure and Temperature:** 6,440 psi , 170° F.

14. **Abnormal Conditions:**

15. **H₂S Plan:** Breathing equipment will be available on location. If H₂S is encountered the operator will comply with the Onshore Oil and Gas Order No. 6. The H₂S measured amounts and formation will be reported to the BLM. Please see the attached H₂S Plan and the H₂S awareness map.

16. **Directional or Horizontal Survey:** The well is neither directional nor horizontal.

17. **Unit Well Current Unit POD:** The well is not in a unit or current unit POD.

18. **Work Schedule:** To be determined.

19. **Completion plans:** MIRU well service unit. PU 2 7/8" PH-6 work string. TIH, release retrievable bridge plug and pull out of hole. Pick up treating packer. TIH to 13,130' and set. Test back side to 1000 psi. Acidize down

tubing with five stages – 8000 gallons 15% HCL each stage followed by 1500 lbs of rock salt each stage. Release packer and pull out of hole.

Trip in hole with tubing with notched collar. Circulate clean to TD. Pull out of the hole and pick up 7" Arrow Set 1X packer. Trip in the hole to 13,130' and set packer. Set blanking plug and on/off tool. Release from packer and pull out of hole, laying down 2 7/8" work string. Pick up 4 1/2" lined injection tubing. Trip in hole and get on on/off tool. Release packer. Space out. Reset packer. Release on/off tool again. Circulate packer fluid. Get back on on/off tool. Nipple down BOP and nipple up well head. Schedule and perform MIT on tubing casing annulus per OCD and BLM guidelines. Turn well over to R360 for plumbing up surface facilities.

ATTACHMENT IV

The permit application is NOT an expansion of an existing project

ATTACHMENT V

Well and Lease Maps

2 mile Radius of Outer Banks SWD

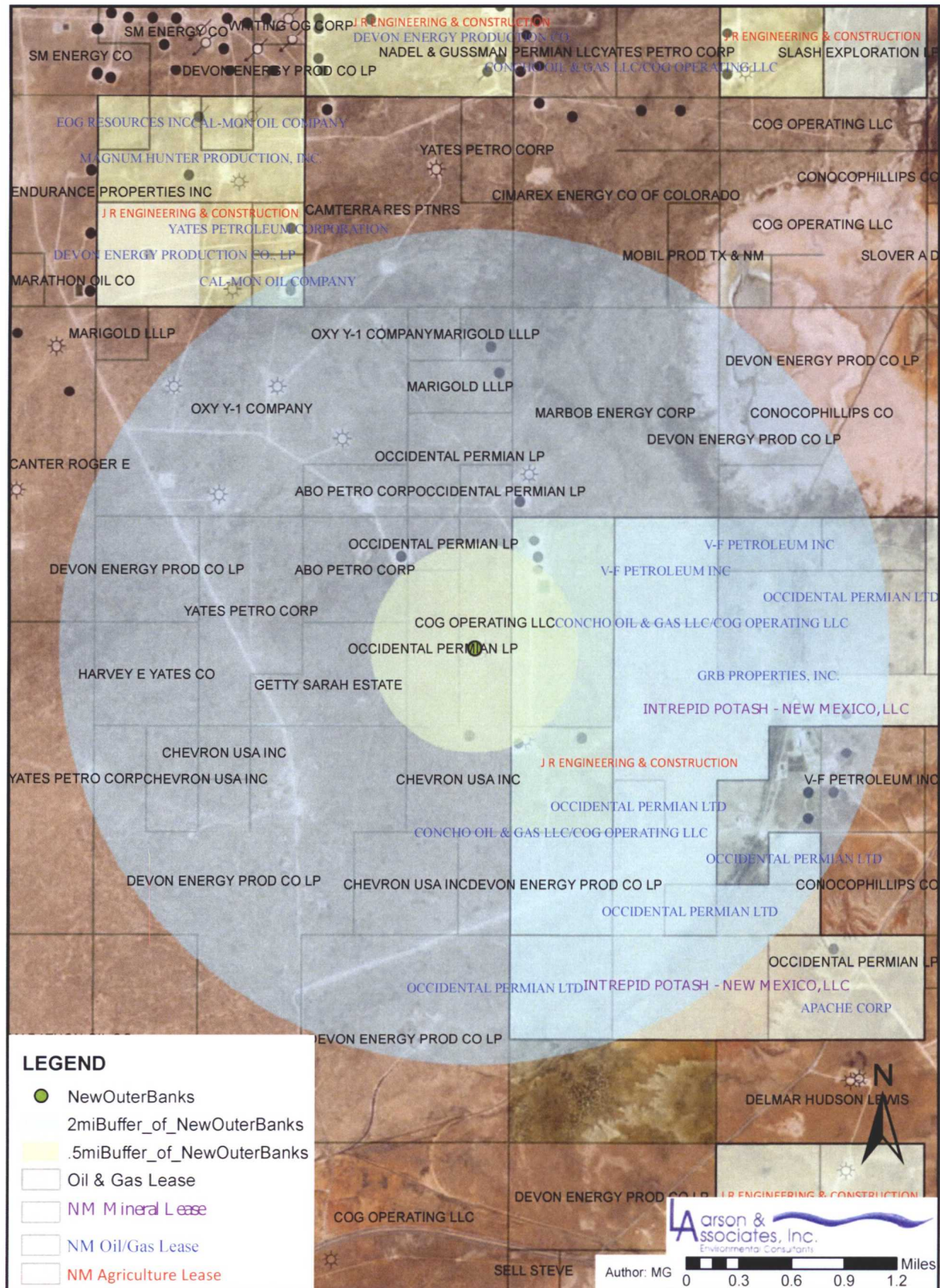


TABLE OF ACTIVE WELLS/ OPERATORS WITHIN TWO MILES OF THE PROPOSED OUTER BANKS SWD #1

R360 Permian Basin, LLC

| API # | Operator | Lease | Well # | County | Legal | Total depth (ft) | Well Status |
|--------------|--------------------------------|--------------------------------|--------|--------|--------------------------|------------------|-------------|
| 30-015-10326 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:13,T:20S,R:29E, UNIT B | | PLUGGED |
| 30-015-40373 | YATES PETROLEUM CORPORATION | ZIA AHZ FEDERAL COM | 2 | EDDY | S:13,T:20S,R:29E, UNIT C | 40 | PLUGGED |
| 30-015-40404 | YATES PETROLEUM CORPORATION | ZIA AHZ FEDERAL COM | 2H | EDDY | S:13,T:20S,R:29E, UNIT C | 8376 | ACTIVE OIL |
| 30-015-33144 | COG OPERATING LLC | DICE ROLL FEDERAL COM | 1 | EDDY | S:13,T:20S,R:29E, UNIT I | 12300 | ACTIVE GAS |
| 30-015-32598 | COG OEPRATING LLC | COINFLIP STATE | 1 | EDDY | S:18,T:20S,R:30E, UNIT D | 12280 | ACTIVE OIL |
| 30-015-41937 | COG OEPRATING LLC | COINFLIP STATE COM | 2H | EDDY | S:18,T:20S,R:30E, UNIT D | | ACTIVE OIL |
| 30-015-41938 | COG OEPRATING LLC | COINFLIP STATE COM | 3H | EDDY | S:18,T:20S,R:30E, UNIT D | | ACTIVE OIL |
| 30-015-32873 | COG OPERATING LLC | DARTHROW 19 STATE | 1 | EDDY | S:19,T:20S,R:30E, UNIT 1 | 12300 | ACTIVE GAS |
| 30-015-04688 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:19,T:20S,R:30E, UNIT D | | PLUGGED |
| 30-015-26323 | CIMAREX ENERGY CO. OF COLORADO | SUPERIOR FEDERAL | 8 | EDDY | S:1,T:20S,R:29E, UNIT N | 11908 | PLUGGED |
| 30-015-24722 | YATES PETROLEUM CORPORATION | SLINKARD UR FEDERAL COM | 2 | EDDY | S:11,T:20S,R:29E, UNIT F | 12100 | ACTIVE GAS |
| 30-015-23698 | YATES PETROLEUM CORPORATION | SLINKARD UR FEDERAL COM | 1 | EDDY | S:11,T:20S,R:29E, UNIT H | 12229 | ACTIVE GAS |
| 30-015-03641 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:11,T:20S,R:29E, UNIT I | | PLUGGED |
| 30-015-43105 | DEVON ENRGY PRODUCTION COMPANY | GHOST PEPPER 14 23 FEDERAL COM | 1H | EDDY | S:11,T:20S,R:29E, UNIT K | | NEW OIL |
| 30-015-43106 | DEVON ENRGY PRODUCTION COMPANY | GHOST PEPPER 14 23 FEDERAL COM | 3H | EDDY | S:11,T:20S,R:29E, UNIT K | | NEW OIL |
| 30-015-03642 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:11,T:20S,R:29E, UNIT K | | PLUGGED |
| 30-015-43101 | DEVON ENRGY PRODUCTION COMPANY | GHOST PEPPER 14 23 FEDERAL COM | 2H | EDDY | S:11,T:20S,R:29E, UNIT L | | NEW OIL |
| 30-015-43100 | DEVON ENRGY PRODUCTION COMPANY | GHOST PEPPER 14 23 FEDERAL COM | 4H | EDDY | S:11,T:20S,R:29E, UNIT M | | NEW OIL |
| 30-015-26289 | YATES PETROLEUM CORPORATION | BURTON FLAT FEDERAL COM | 1 | EDDY | S:11,T:20S,R:29E, UNIT N | | PLUGGED |
| 30-015-26262 | YATES PETROLEUM CORPORATION | ZIA AHZ FEDERAL COM | 1 | EDDY | S:11,T:20S,R:29E, UNIT O | 12147 | ACTIVE GAS |
| 30-015-03643 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:12,T:20S,R:29E, UNIT M | | PLUGGED |
| 30-015-25978 | YATES PETROLEUM CORPORATION | ELAND AFC FEDERAL COM | 1 | EDDY | S:12,T:20S,R:29E, UNIT N | 11297 | PLUGGED |
| 30-015-42735 | COG OPERATING LLC | MOSSY FEDERAL | 1H | EDDY | S:12,T:20S,R:29E, UNIT A | | ACTIVE OIL |
| 30-015-26762 | YATES PETROLEUM CORPORATION | SLINKARD UR FEDERAL COM | 4 | EDDY | S:12,T:20S,R:29E, UNIT C | 12175 | ACTIVE GAS |
| 30-015-42736 | COG OPERATING LLC | MOSSY FEDERAL | 2H | EDDY | S:12,T:20S,R:29E, UNIT H | | ACTIVE OIL |
| 30-015-26038 | YATES PETROLEUM CORPORATION | SLINKARD UR FEDERAL COM | 3 | EDDY | S:12,T:20S,R:29E, UNIT L | 12280 | ACTIVE GAS |
| 30-015-03645 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:13,T:20S,R:29E, UNIT C | | PLUGGED |
| 30-015-03646 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 2 | EDDY | S:13,T:20S,R:29E, UNIT E | | PLUGGED |
| 30-015-03644 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 3 | EDDY | S:13,T:20S,R:29E, UNIT N | | PLUGGED |
| 30-015-03648 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:14,T:20S,R:29E, UNIT J | | PLUGGED |
| 30-015-03647 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 2 | EDDY | S:14,T:20S,R:29E, UNIT P | | PLUGGED |
| 30-015-42085 | COG OPERATING LLC | DARTHROW STATE | 2H | EDDY | S:19,T:20S,R:29E, UNIT D | | ACTIVE OIL |
| 30-015-04689 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:19,T:20S,R:29E, UNIT A | | PLUGGED |
| 30-015-42521 | COG OPERATING LLC | DARTHROW STATE | 3 | EDDY | S:19,T:20S,R:29E, UNIT C | 1804 | PLUGGED |
| 30-015-42719 | COG OPERATING LLC | DARTHROW STATE | 4H | EDDY | S:19,T:20S,R:29E, UNIT C | 12829 | ACTIVE OIL |
| 30-015-04690 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:19,T:20S,R:29E, UNIT G | | PLUGGED |
| 30-015-04691 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 2 | EDDY | S:19,T:20S,R:29E, UNIT H | | PLUGGED |
| 30-015-04692 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:19,T:20S,R:29E, UNIT L | | PLUGGED |
| 30-015-03659 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 2 | EDDY | S:23,T:20S,R:29E, UNIT A | | PLUGGED |
| 30-015-03657 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 4 | EDDY | S:23,T:20S,R:29E, UNIT H | | PLUGGED |
| 30-015-03655 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 8 | EDDY | S:23,T:20S,R:29E, UNIT I | | PLUGGED |
| 30-015-03658 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 5 | EDDY | S:23,T:20S,R:29E, UNIT K | | PLUGGED |
| 30-015-03656 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 9 | EDDY | S:23,T:20S,R:29E, UNIT P | | PLUGGED |

| | | | | | |
|--------------|--------------------------------|-----------------------------------|---------|--------------------------|------------------|
| 30-015-42323 | COG OPERATING LLC | CRAPSHOOT 13 FEDERAL | 1H EDDY | S:24,T:20S,R:29E, UNIT A | 8431 ACTIVE OIL |
| 30-015-43158 | COG OPERATING LLC | CRAPSHOOT 13 FEDERAL COM | 2H EDDY | S:24,T:20S,R:29E, UNIT A | NEW OIL |
| 30-015-42972 | DEVON ENRGY PRODUCTION COMPANY | MORUGA SCORPION 23 24 FEDERAL COM | 1H EDDY | S:24,T:20S,R:29E, UNIT A | NEW OIL |
| 30-015-42968 | DEVON ENRGY PRODUCTION COMPANY | MORUGA SCORPION 23 24 FEDERAL COM | 2H EDDY | S:24,T:20S,R:29E, UNIT A | NEW OIL |
| 30-015-42971 | DEVON ENRGY PRODUCTION COMPANY | MORUGA SCORPION 23 24 FEDERAL COM | 3H EDDY | S:24,T:20S,R:29E, UNIT A | NEW OIL |
| 30-015-42973 | DEVON ENRGY PRODUCTION COMPANY | MORUGA SCORPION 23 24 FEDERAL COM | 4H EDDY | S:24,T:20S,R:29E, UNIT A | NEW OIL |
| 30-015-03660 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 3 EDDY | S:24,T:20S,R:29E, UNIT D | PLUGGED |
| 30-015-03664 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 11 EDDY | S:24,T:20S,R:29E, UNIT D | PLUGGED |
| 30-015-03662 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 7 EDDY | S:24,T:20S,R:29E, UNIT E | PLUGGED |
| 30-015-03662 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 6 EDDY | S:24,T:20S,R:29E, UNIT L | PLUGGED |
| 30-015-10044 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:24,T:20S,R:29E, UNIT M | PLUGGED |
| 30-015-03663 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 10 EDDY | S:24,T:20S,R:29E, UNIT M | PLUGGED |
| 30-015-03665 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:25,T:20S,R:29E, UNIT D | PLUGGED |
| 30-015-04662 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:6,T:20S,R:30E, UNIT L | PLUGGED |
| 30-015-33758 | OWL SWD OPERATING, LLC | COLLINSOSCOPY FEDERAL | 1 EDDY | S:7,T:20S,R:30E, UNIT 4 | 12400 ACTIVE GAS |
| 30-015-41420 | MEWBOURNE OIL CO | TWO MESAS 7 MP FEDERAL | 1H EDDY | S:7,T:20S,R:30E, UNIT M | 8437 ACTIVE OIL |
| 30-015-04665 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:7,T:20S,R:30E, UNIT A | PLUGGED |
| 30-015-04664 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:7,T:20S,R:30E, UNIT I | PLUGGED |
| 30-015-04663 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:7,T:20S,R:30E, UNIT K | PLUGGED |
| 30-015-04687 | SHACKELFORD OIL CO | STATE A | 4 EDDY | S:17,T:20S,R:30E, UNIT J | 1539 PLUGGED |
| 30-015-04686 | VANGUARD OPERATING, LLC | STATE | 2 EDDY | S:17,T:20S,R:30E, UNIT N | 1520 ACTIVE SWD |
| 30-015-04685 | VANGUARD OPERATING, LLC | STATE 1A | 1 EDDY | S:17,T:20S,R:30E, UNIT O | 1476 ACTIVE OIL |
| 30-015-04693 | VANGUARD OPERATING, LLC | COLGLAZIER | 1 EDDY | S:20,T:20S,R:30E, UNIT B | 1443 ACTIVE OIL |
| 30-015-04700 | VANGUARD OPERATING, LLC | STOVALL WOOD | 1 EDDY | S:20,T:20S,R:30E, UNIT C | 1435 PLUGGED |
| 30-015-04697 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:20,T:20S,R:30E, UNIT D | PLUGGED |
| 30-015-04702 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:20,T:20S,R:30E, UNIT E | PLUGGED |
| 30-015-04696 | BARBER OIL INC | MORRIS & HOOVER | 2 EDDY | S:20,T:20S,R:30E, UNIT F | PLUGGED |
| 30-015-04701 | VANGUARD OPERATING, LLC | STOVALL WOOD | 2 EDDY | S:20,T:20S,R:30E, UNIT F | 1415 ACTIVE OIL |
| 30-015-04703 | VANGUARD OPERATING, LLC | STOVALL WOOD | 3 EDDY | S:20,T:20S,R:30E, UNIT F | 1470 ACTIVE OIL |
| 30-015-04694 | SHACKELFORD OIL CO | COLGLAZIER | 2 EDDY | S:20,T:20S,R:30E, UNIT G | 1436 PLUGGED |
| 30-015-04695 | VANGUARD OPERATING, LLC | COLGLAZIER | 3 EDDY | S:20,T:20S,R:30E, UNIT G | 1553 ACTIVE OIL |
| 30-015-04704 | TOPAT OIL CORP | COLGLAZIER | 1 EDDY | S:20,T:20S,R:30E, UNIT J | PLUGGED |
| 30-015-04699 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 EDDY | S:20,T:20S,R:30E, UNIT K | PLUGGED |
| 30-015-04698 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 3 EDDY | S:20,T:20S,R:30E, UNIT N | PLUGGED |

.5 mile Radius of Outer Banks SWD

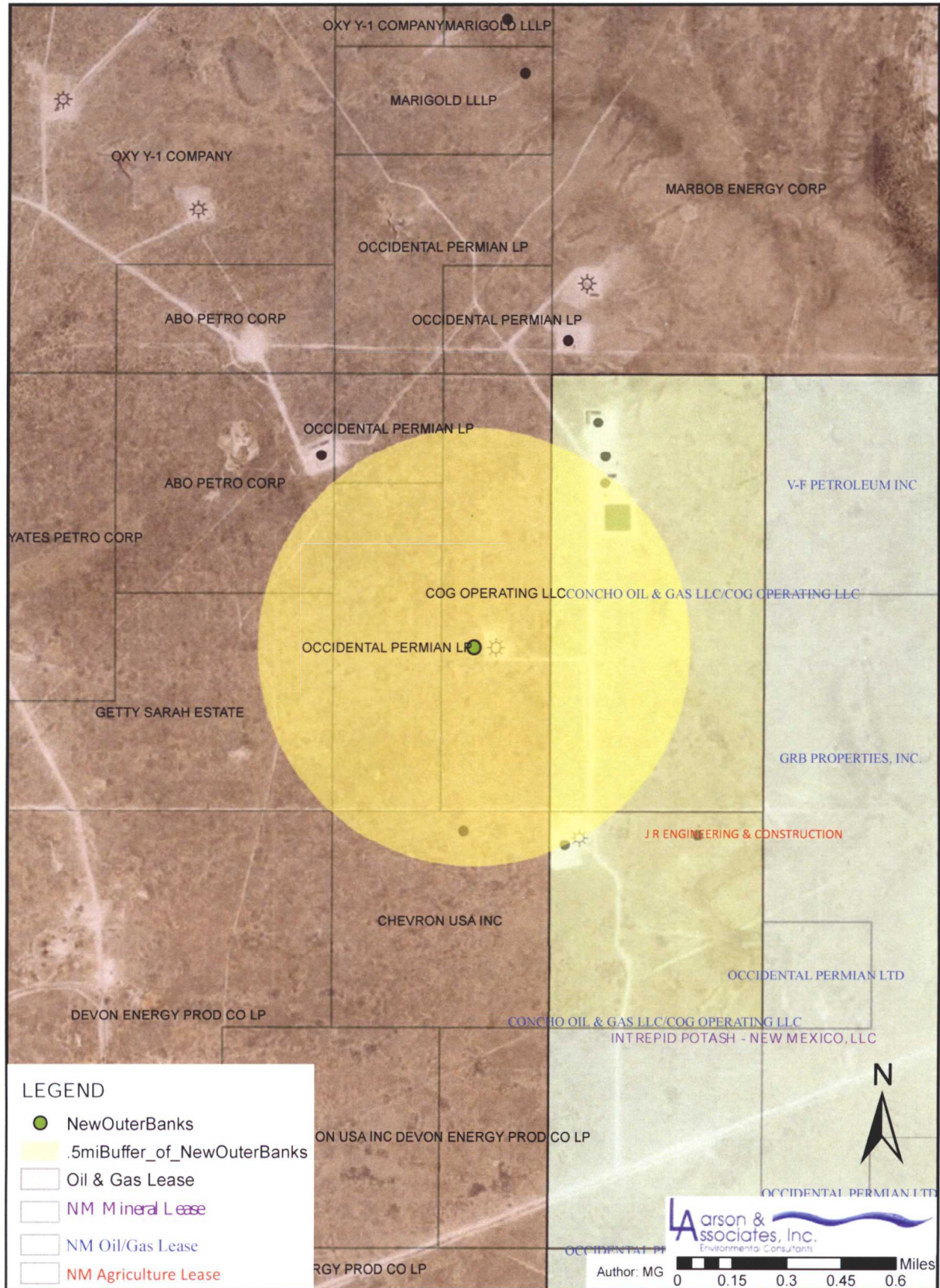


TABLE OF ACTIVE WELLS/ OPERATORS WITHIN THE AREA OF REVIEW OF THE PROPOSED OUTER BANKS SWD #1

R360 Permian Basin, LLC

| API # | Operator | Lease | Well # | County | Legal | Total depth (ft) | Well Status |
|--------------|-----------------------------|-----------------------|--------|--------|--------------------------|------------------|-------------|
| 30-015-10326 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:13,T:20S,R:29E, UNIT B | | PLUGGED |
| 30-015-40373 | YATES PETROLEUM CORPORATION | ZIA AHZ FEDERAL COM | 2 | EDDY | S:13,T:20S,R:29E, UNIT C | 40 | PLUGGED |
| 30-015-40404 | YATES PETROLEUM CORPORATION | ZIA AHZ FEDERAL COM | 2H | EDDY | S:13,T:20S,R:29E, UNIT C | 8376 | ACTIVE OIL |
| 30-015-33144 | COG OPERATING LLC | DICE ROLL FEDERAL COM | 1 | EDDY | S:13,T:20S,R:29E, UNIT I | 12300 | ACTIVE GAS |
| 30-015-32598 | COG OEPRATING LLC | COINFLIP STATE | 1 | EDDY | S:18,T:20S,R:30E, UNIT D | 12280 | ACTIVE OIL |
| 30-015-41937 | COG OEPRATING LLC | COINFLIP STATE COM | 2H | EDDY | S:18,T:20S,R:30E, UNIT D | | ACTIVE OIL |
| 30-015-41938 | COG OEPRATING LLC | COINFLIP STATE COM | 3H | EDDY | S:18,T:20S,R:30E, UNIT D | | ACTIVE OIL |
| 30-015-32873 | COG OPERATING LLC | DARTHROW 19 STATE | 1 | EDDY | S:19,T:20S,R:30E, UNIT 1 | 12300 | ACTIVE GAS |
| 30-015-04688 | PRE-ONGARD WELL OPERATOR | PRE-ONGARD WELL | 1 | EDDY | S:19,T:20S,R:30E, UNIT D | | PLUGGED |

JACK C. MAGEE
Independent Petroleum Landman
8805 ECR 103
Midland, Texas 79706

605-28-1895 cell

mageclaw@midconetwork.com

March 1, 2016

Mark Larson
Larson & Associates, Inc.
507 N. Marienfeld, Suite 200
Midland, TX 79702

Re: Outer Banks SWD #1 - Relocation
Section 13, T20S, R29E
Eddy County, NM

Dear Mr. Larson:

You asked for a revision of the Report of "owners" within ½ mile of your revised proposed Outer Banks SWD #1 disposal well being permitted in the captioned Section 13.

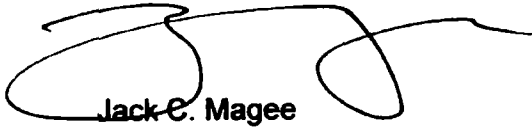
In this connection I examined the abstract tract records of Caprock Title Company in Midland, Texas; the abstract of title prepared by Schutz Abstract and the public website records of the Bureau of Land Management (BLM); the public website of the New Mexico Oil Conservation Commission (NMOCD); and the public website of the State of New Mexico Land System.

Based on the material examined, I am attaching a Report of the surface owners and "affected persons" being any unleased mineral owner, or Lessee if not producing, or Operator if producing. I am also attaching copies of relevant information used in preparing the Report.

I also wish to bring to your attention that some of the Lessees named in my Report may not be current due to the lack of updated information being filed of record either with the BLM and no attempt has been made to independently tract down the heirs or devisees of any person shown of record.

Thank you and please do not hesitate to call should you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack C. Magee". The signature is stylized with a large loop at the beginning and a long horizontal stroke extending to the right.

Jack C. Magee

Encl.

**OUTER BANKS SWD #1 - RELOCATION: OWNERS WITHIN 1/2 MILE RADIUS
EDDY COUNTY
MARCH 1, 2016**

Section 13, Township 20 South, Range 29 East, NMPM - Eddy County

Surface Owners

**E/2 E/2, NW/4 NE/4, SW/4 NE/4, W/2 SE/4, E/2 NW/4,
E/2 SW/4**

United States Dept of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Oil & Gas Lessees/Operators

E/2 E/2

Lease: NM 110350 issued 6/1/2003.

Operator

COG Operating, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

NW/4 NE/4: Surface down to 12,400'

Lease: NM 0555546 issued 2/1/1965.

Operator Rights Owner(s)

COG Operating, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

Concho Oil & Gas, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

NW/4 NE/4: Below 12,400'

Lease: NM 0555546 issued 2/1/1965.

Operating Rights Owner

Occidental Permian Ltd. Partnership
580 Westlake Pk. Blvd.
Houston, TX 77079

Note:

This Lease is held by allocated production and is committed to a commingling agreement NMNM 11176 as to natural gas and associated liquid hydrocarbons producible from the Morrow, Atoka, Wolfcamp, and Strawn formations.

SW/4 NE/4, W/2 SE/4: Surface down to 12,400'

Lease: NM 035958 issued 6/1/1963.

Operator Rights Owner(s)

COG Operating, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

Concho Oil & Gas, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

SW/4 NE/4, W/2 SE/4: Below 12,400'

Lease: NM 035958 issued 6/1/1963.

Operating Rights Owner

Occidental Permian Ltd. Partnership
580 Westlake Pk. Blvd.
Houston, TX 77079

Note:

This Lease is held by allocated production and is committed to a commingling agreement NMNM 11176 as to natural gas and associated liquid hydrocarbons producible from the Morrow, Atoka, Wolfcamp, and Strawn formations.

E/2 NW/4

Lease: NM 55125 issued 5/1/1983.

Operator

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

E/2 SW/4

Lease: LC 028840-A issued on 9/22/1924 (formerly Prospecting Permit Roswell 052196), renewed on 6/1/1998 for 20 years.

Operating Rights Owner(s): Surface down to 11,397'

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

ABO Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Myco Industries, Inc.
105 South 4th Street
Artesia, NM 88210

OXY Y-1 Company
P.O. Box 27570
Houston, TX 77227

Operating Rights Owner(s): Below 11,397'

Northern Trust Bank of California, NA
Trustee of the Estate of Sarah C. Getty
P.O. Box 226270
Dallas, TX 75222-6270

Potash Lessees

**E/2 E/2, NW/4 NE/4, SW/4 NE/4, W/2 SE/4, E/2 NW/4,
E/2 SW/4**

Section 13 is within the federally
"Designated Potash Area".

No current Potash lease found of record.

Section 24, Township 20 South, Range 29 East, NMPM - Eddy County

Surface Owners

N/2 NE/4, NE/4 NW/4

United States Dept of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Oil & Gas Lessees/Operators

N/2 NE/4

Lease: LC 029009-B issued 10/14/1931, renewed on
7/1/2000 for 20 years.

Operating Rights Owner(s)

Chevron USA, Inc.
15 Smith Road
Midland, TX 79705

NE/4 NW/4

Lease: NM 129731 issued 4/1/2013.

Operator rights owner(s)/Lessee

Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, OK 73102

Potash Lessees

N/2 NE/4, NE/4 NW/4

Section 24 is within the federally
"Designated Potash Area".

No current Potash lease found of record.

Section 19, Township 20 South, Range 30 East, NMPM - Eddy County

Surface Owners

Lot 1 (NW/4 NW/4)

New Mexico State Land Office
310 Ol Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

Oil & Gas Lessees/Operators

Lot 1 (NW/4 NW/4)

Lease VO-6733 issued 11/2002

Operator

COG Operating, LLC/ Concho Oil & Gas, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

Note:

According to the Schutz Takeoff, an OGL (VO-6733) was issued to Pitch Energy on 11/1/2002, assigned to Marbob Energy Corporation and Pitch Energy Corporation on 4/13/2004, and then assigned to COG Operating, LLC and Concho Oil and Gas, LLC on 11/12/2010. However, this OGL was not found in the abstract records of Caprock Title. According to the New Mexico State Land Office, COG Operating, LLC is the current Lessee.

Potash Lessees

Lot 1 (NW/4 NW/4)

Section 19 is within the federally
"Designated Potash Area".

Intrepid Potash, Inc.
707 17th Street, Suite 4200
Denver, CO 80202

Intrepid Potash-New Mexico, LP
707 17th Street, Suite 4200
Denver, CO 80202

BOPCO, LP
201 Main Street, Suite 3100
Fort Worth, TX 76102

Note:

Eddy Potash, Inc. acquired the potash lease in 2000. The lease term was for 10 years and then for an indeterminate time. The lease was apparently assigned to HB Potash, although the instrument (541/657) does not specifically list Section 19, T20S, R30E. HB Potash merged into Intrepid Potash-New Mexico, LP.

According to the New Mexico State Land Office, Land Office Geographic Information Center-General Land Status, this tract is not currently under a "mineral" lease, but is under an oil and gas lease.

Section 18, Township 20 South, Range 30 East, NMPM - Eddy County

Surface Owners

Lots 1, 2, 3, 4, E/2 W/2

New Mexico State Land Office
310 Ol Santa Fe Trail
Box 1148
Santa Fe, NM 87504-1148

Oil & Gas Lessees/Operators

Lots 1, 2, 3, 4, E/2 W/2

Lease V-5391 dated 11/1/1998.

Operator

COG Operating, LLC/ Concho Oil & Gas, LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

Potash Lessees

Lots 1, 2, 3, 4, E/2 W/2

Section 18 is within the federally
"Designated Potash Area".

Intrepid Potash, Inc.
707 17th Street, Suite 4200
Denver, CO 80202

Intrepid Potash-New Mexico, LP
707 17th Street, Suite 4200
Denver, CO 80202

BOPCO, LP
201 Main Street, Suite 3100
Fort Worth, TX 76102

Note:

Eddy Potash, Inc. acquired the potash lease in 2000.
The lease term was for 10 years and then for an
indeterminate time. The lease was apparently assigned
to HB Potash, although the instrument (541/657) does
not specifically list Section 19, T20S, R30E. HB Potash
merged into Intrepid Potash-New Mexico, LP.

According to the New Mexico State Land Office, Land
Office Geographic Information Center-General Land
Status, this tract is not currently under a "mineral"
lease, but is under an oil and gas lease.

SCHUTZ ABSTRACT CO., INC.

P.O. BOX 973

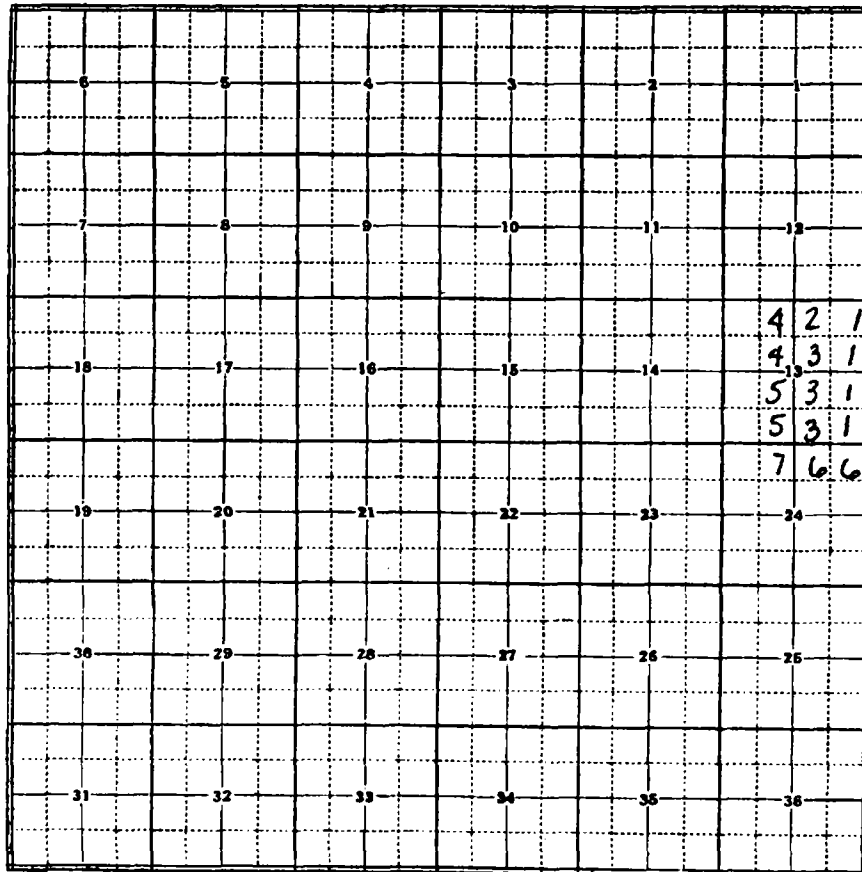
(505) 982-0130

SANTA FE, NEW MEXICO 87504

T. 20 South R. 29 East

Eddy County

7/15/15



RED - STATE LAND
BLUE - FEE LAND

1. NM 110350
2. NM 0555546
3. NM 0359258
4. NM 55125
5. LC 028840-A
6. LC 029009-B
7. NM 129731

JUL 15 2003

NM 110350

T.20 South - R.29 East
Section 13:E2E2L-H.B.P
6/1/2003

Lessee :

COG Operating LLC
550 W. Texas, Ste. 100
Midland, TX 79701

95%

Concho O&G LLC
550 W. Texas, Ste. 100
Midland, TX 79701

5%

RUN SHEET:

Competitive lease NM 110350 issued 6/1/03 to Marbob Energy Corp. for ten yrs. with 12.5% royalty to the USA.

Committed to com. agreement NMNM 111766 as to nat. gas & assoc. liquid hydrocarbons producible from the Morrow, Atoka, Wolfcamp, and Strawn formations in sec. 13: E2.

Marbob Energy Corp. No. 1 Dice Roll Federal Com. was completed 4/6/04 on sec. 13: NESE.

Assign. of record title dated 11/18/10 from Marbob Energy Corp. to Concho O&G LLC 5%, and COG Operating LLC 95% as to all lands, 100% interest.

OPERATING RIGHTS:

Lessees

100%

OVERRIDING ROYALTY:

None filed of record.

12.5 % ROYALTY TO THE USA

Notes:

JUL 11 1965

NM 0555546

T.20 South - R.29 East
Section 13: NWNE

L-H.B.P
02/01/65

Lessee :

Occidental Permian Ltd. Partnership
580 Westlake Pk. Blvd.
Houston, TX 77079

RUN SHEET:

Competitive lease NM 0555546 issued 2/1/65 to Pan American Petroleum Corp. for 5 years with sliding scale royalty to the USA.

Suspension of operations & production was granted effective 7/1/65 for an indefinite period due to potash.

Decision of 3/19/71 recognized the name change from Pan American Petroleum Corp. to Amoco Production Co.

Assignment of record title dated 5/20/97 from Amoco Production Co. to Altura Energy, Ltd. 100% as to sec. 13: NWNE, no overriding royalty reserved.

Altura Energy Ltd. changed its name to Occidental Permian Ltd.

Assign. of oper. rights dated 4/20/04 from Occidental Permian Ltd. Partnership to Marbob Energy Corp. 100% as to sec. 13; NWNE surface to 12,400', reserving 12.5% overriding royalty.

Decision of 10/21/04 stated that the suspension of operations was lifted eff. 4/1/04. At the time the suspension was lifted, there were 4 years and 7 months remaining in the primary term, therefore, the new expiration date is 11/1/08. In addition, this lease is held by allocated production.

Committed to com. agreement MNM 111766 as to nat. gas & assoc. liquid hydrocarbons producible from the Morrow, Atoka, Wolfcamp and Strawn formations in sec. 13: E2.

Marbob Energy Corp. No. 1 Dice Roll Fed. Com. was completed 4/6/04 on sec. 13: NESE.

Assign. of oper. rights dated 11/18/10 from Marbob Energy Corp. to Concho O&G LLC 5% and COG Operating LLC 95% as to all lands, 100% interest form the surface to 12,400'.

Assign. of oper. rights dated 4/3/14 from COG Operating LLC 95% & Concho O&G LLC 5% to Occidental Permian LP 25% as to sec. 13; NWNE from the surface to 12,400'.

OPERATING RIGHTS:

Surface to 12,400':

COG Operating LLC
550 W. Texas, Ste. 100
Midland, TX 79701

71.25%

Concho O&G LLC

3.75%

550 W. Texas, Ste. 100
Midland, TX 79701

| | |
|--------|-----|
| Lessee | 25% |
|--------|-----|

Below 12,400':

| | |
|--------|------|
| Lessee | 100% |
|--------|------|

OVERRIDING ROYALTY:

Surface to 12,400':

| | |
|--------|--------------|
| Lessee | 12.5% of 75% |
|--------|--------------|

Sliding Scale ROYALTY TO THE USA

Notes:

JUL 14 1965

NM 0359258

T.20 South - R.29 East
Section 13:SWNE,W2SE

L-H.B.P
06/01/63

Lessee :

Occidental Permian Ltd.
580 Westlake Park Blvd.
Houston, TX 77079

RUN SHEET:

Competitive lease NM 0359258 issued 6/1/63 to Pan American Petroleum Corp. for 5 years with sliding scale royalty to the USA.

Suspension of operations & production was granted effective 7/1/65 for an indefinite period due to Potash.

Decision of 3/19/71 recognized the name change from Pan American Petroleum Corp. to Amoco Production Co.

Assign. of record title dated 3/20/97 from Amoco Production Co. to Altura Energy Ltd. 100% as to all lands, no overriding royalty reserved.

Altura Energy Ltd. changed its name to Occidental Permian Limited Partnership.

Assign. of oper. rights dated 4/20/04 from Occidental Permian Limited Partnership to Marbob Energy Corp. 100% as to sec. 13: SWNE and W2SE from the surface to 12,400', reserving 12.5% ORRI.

Committed to com. agreement MNM 111766 as to nat. gas & assoc. liquid hydrocarbons producible from the Morrow, Atoka, Wolfcamp and Strawn formations in sec. 13: E2.

Marbob Energy Corp. No. 1 Dice Roll Federal Com. was completed 4/6/04 on sec. 13: NESE.

Letter of 12/16/04 stated that the suspension of operations terminated as of 4/1/04.

Decision of 1/20/05 stated that the suspension of operations was lifted effective 4/1/04, at the time of suspension, there were 2 years and 11 months remaining in the primary term, therefore, the new expiration date is 3/1/07. In addition, the lease is held by allocated production.

Assign. of oper. rights dated 11/18/10 from Marbob Energy Corp. to Concho O&G LLC 5% and COG Operating LLC 95% as to all lands from the surface to 12,400', 100% interest.

Assign. of oper. rights dated 4/3/14 from COG Operating LLC 95% and Concho O&G LLC 5% to Occidental Permian LP 25% as to all lands surface to 12,400'.

OPERATING RIGHTS:

Surface to 12,400':

Concho O&G LLC
550 W. Texas Ave., Ste. 100
Midland, TX 79701

3.75%

COG Operating LLC
550 W. Texas Ave., Ste. 100
Midland, TX 79701

71.25%

Lessee

25%

Below 12,400':

Lessee

100%

OVERRIDING ROYALTY:

Surface to 12,400' as to all lands:
Lessee

12.5% of 75%

Sliding Scale ROYALTY TO THE USA

Notes:

JUL 15 2015

NM 55125

T.20 South - R.29 East
Section 13:E2NW

L-H.B.P.
05/01/83

Lessee :

Yates Petroleum Corp. 10%
105 S. 4th St.
Artesia, NM 88210

OXY Y-1 Co. 30%
P.O. Box 27570
Houston, TX 77227

ABO Petroleum Corp. 30%
105 S. 4th St.
Artesia, NM 88210

Myco Industries Inc. 30%
105 S. 4th St.
Artesia, NM 88210

RUN SHEET:

Competitive lease NM 55125 issued 5/1/83 to Yates Petroleum Corp. for 5 years with schedule "B" (sliding scale) royalty to the USA.

Assign. of record title dated 5/5/83 from Yates Petroleum Corp. to Yates Drilling Co. 30%, ABO Petroleum Corp. 30%, & Myco Industries Inc. 30% as to sec. 13: E2NW.

Suspension of operations & production was granted effective 4/1/88 due to potash.

Committed to com. agreement NMNM 72629 as to dry gas & assoc. liquid hydrocarbons producible from the Morrow, Strawn and Wolfcamp formations in sec. 13: W2.

Suspension of operations terminated upon approval of the application for permit to drill the Yates Petroleum Corp. Eland "AFC" Federal Com. no. 1 well.

Decision of 2/16/89 extended the lease for 2 years ending 4/30/90.

The case file shows held by production- actual on 12/10/88 and held by production-allocated on 12/10/88.

Comm. agreement NMNM 72629 expired on 2/19/10 and the lease was extended 2 yrs. through 2/19/12 and so long thereafter as oil or gas is produced in paying quantities.

Yates Drilling Co. changed its name to OXY Y-1 Co.

Yates Petroleum Corp. requested a suspension of operations and prod. due to delays in approving a well site due to close proximity to a potash mine. BLM granted the suspension eff. 12/1/2011 to terminate at the earlier of: the 1st of the month in which approved operations are commenced on the lease or whenever the authorized officer determines that the suspension is no longer needed in the interest of conservation. At the time the suspension is terminated, the lease will have 81 days left in its term. For the lease to remain in effect beyond the 81st day, a well that is capable of producing in paying quantities will have to be

completed. A lease that is beyond its primary term may not receive a 2-yr. extension for drilling over the expiration date.

The suspension was lifed 6/13/2012 with 81 days remaining on the leasehold. The well is presently in drilling status.

Committed to com. agreement NM 128739 as to the Bone Spring formation in sec. 13: N2NW, sec. 14: N2NE.

OPERATING RIGHTS:

Lessees

100%

OVERRIDING ROYALTY:

None filed of record.

Sliding Scale ROYALTY TO THE USA

Notes:

JUL 15 2015

LC 028840-A

T.20 South - R.29 East
Section 13:E2SW

Renewal Lease
05/31/2018

Lessee :

Northern Trust Bank of California, NA
Trustee of the Estate of Sarah C. Getty
P.O. Box 226270
Dallas, TX 75222-6270

RUN SHEET:

Prospecting permit Roswell 052196 was issued to Horace C. Rawson on 9/22/24. The serial # was later changed to LC 028840.

Operating agreement dated 2/28/27 between Horace C. Rawson and Mesa Oil Co. Inc., granting the right to explore and develop for oil and/or gas as to sec. 13: E2, sec. 14: E2, reserving an overriding royalty of 7.5% as to the "A" or preferred acreage, on which the government royalty shall be 5%.

Second supplementary assign. & agreement dated 11/19/27 between Mesa Oil Co. Inc., party of the 1st part and George F. Getty Oil Co. party of the 2nd part, wherein party of the 1st part assigns to party of the 2nd part the operating agreement of 2/28/27 as to all of the premises covered thereby, in particular conveying all interest of 1st party under said permit and oper. agreement and otherwise as to sec. 13: W2, among other lands.

Lease LC 028840-A issued effective 9/9/29 to Horace C. Rawson for 20 years with the right to renew for successive 10 yr. periods, with 5% royalty to the USA.

Reassignment and quitclaim deed dated 10/26/31 from George F. Getty Oil Co. to Mesa Oil Co. Inc., granting all of assignor's interest as to sec. 13 & 14. This assignment and quitclaim deed is given to relinquish, abandon and reassign to grantee all interest held under oil & gas permit LC 028840, operating agreement dated 2/28/27, assign. & agreement dated 5/10/27, supplementary assign. & agreement dated 7/14/27, second supplementary assign. & agreement dated 11/19/27 and lease LC 028840-A, issued pursuant thereto.

Assign. dated 4/10/33 from Horace C. Rawson to J. Paul Getty 100% as to sec. 13: E2SW, among other lands.

Assign. dated 12/29/33 from J. Paul Getty to Sarah C. Getty conveying all of his interest as to sec. 13: E2SW, among other lands.

Partial release of oil & gas lease dated 8/27/42 from James Stagner as administrator of the Estate of Sarah C. Getty, deceased to the United States of America, all right, title and interest as to sec. 13: E2, E2NW, SWNW (440 acres.) BLM decision of 11/2/42 approved this relinquishment.

Renewal lease LC 028840-A issued 6/1/58 to Jean Paul Getty (aka J. Paul Getty), testamentary trustee of the Estate of Sarah C. Getty, deceased for 10 years with the right to renew for successive 10 yr. periods, with schedule "C" (sliding scale) royalty to the USA.

Assign. of oper. rights dated 1/18/65 from J. Paul Getty, testamentary trustee of the Estate of Sarah C. Getty, deceased to Odessa Natural

Gasoline Co. 1/2 of assignor's working interest as to sec. 13: E2SW, below the base of the Yates formation.

Decision of 6/17/68 stated that the Getty Deep unit agreement terminated 4/24/68.

Renewal lease LC 028840-A issued 6/1/68 to J. Paul Getty, testamentary trustee of the Estate of Sarah C. Getty, deceased for 10 years with the right to renew for successive 10 yr. periods, with sliding scale royalty to the USA.

Assign. of oper. rights dated 8/1/68 from J. Paul Getty, testamentary trustee of the Estate of Sarah C. Getty, deceased, to Odessa Natural Gasoline Co. 1/2 of assignor's working interest as to all lands below the base of the Yates formation. BLM decision of 4/7/69 stated that this assignment was filed merely for the purpose of confirming Odessa's interest in the renewal lease, which issued 6/1/68. The approval to the assign. of 8/1/68 is granted only to the extent of confirming and acknowledging Odessa's interest in the lease.

Assign. of oper. rights dated 6/1/72 from Odessa Nat. Gasoline Co. to J. Paul Getty, testamentary trustee of the Estate of Sarah C. Getty 1/2 interest as to all lands below the base of the Yates formation. BLM decision of 8/3/72 approved this and stated that all of the operating rights are now considered merged with the leasehold estate.

Skelly Oil Co. and Mission Corp. merged into Getty Oil Co.

Renewal lease LC 028840-A issued 6/1/78 to William E. Bell & Lewis E. Drolet, as agents of Title Insurance and Trust Co., successor trustee of the Estate of Sarah C. Getty for 10 years with sliding scale royalty to the USA.

Assign. of record title dated 5/26/88 from Ticor Title Insurance Co. of California (formerly Title Insurance & Trust Co., successor trustee of the Estate of Sarah C. Getty, deceased) to Trust Services of America, Inc., successor trustee of the Estate of Sarah C. Getty, deceased, 100% as to all lands.

Renewal lease LC 028840-A issued 6/1/88 to Trust Services of America, Inc. as successor trustee of the Estate of Sarah C. Getty, deceased for 10 years with 12.5% royalty to the USA.

Assign. of oper. rights dated 4/25/89 from Trust Services of America, Inc., successor trustee of the Estate of Sarah C. Getty to Yates Petroleum Corp. 10%, Yates Drilling Co. 30%, ABO Petroleum Corp. 30% and Myco Industries Inc. 30% as to sec. 13: E2SW from the surface to 11,397', reserving 12.5% before payout, 17.5% after payout.

Yates Petrol. Corp. no. 1 Zia AHZ Federal was completed 4/2/91 on sec. 14: SWNE.

Yates Petrol. Corp. Zia ZS Federal Com. #1 was completed 4/20/90 on sec. 11: SWSE.

Renewal lease LC 028840-A issued 6/1/98 to Northern Trust Bank of California, N.A. (successor to Trust Services of America Inc.), Trustee of the Estate of Sarah C. Getty for 20 years with 12.5% royalty to the USA.

Com. agreement NM 72629 expired 2/19/2010.

Yates Drilling Co. changed its name to OXY Y-1 Co.

OPERATING RIGHTS:

Sec. 13: E2SW from the surface

to 11,397':

| | |
|--|-----|
| Yates Petroleum Corp. 105 S. 4th St. Artesia, NM 88210 | 10% |
|--|-----|

| | |
|--|-----|
| ABO Petroleum Corp. 105 S. 4th St. Artesia, NM 88210 | 30% |
|--|-----|

| | |
|---|-----|
| Myco Industries Inc. 105 S. 4th St. Artesia, NM 88210 | 30% |
|---|-----|

| | |
|--|-----|
| OXY Y-1 Co. P.O. Box 27570 Houston, TX 77227 | 30% |
|--|-----|

Below 11,397':

| | |
|--------|------|
| Lessee | 100% |
|--------|------|

OVERRIDING ROYALTY:

Sec. 13: E2SW from the surface to 11,397':

Lessee reserved 12.5% before payout and 17.5% after payout

The original lessee, Horace Rawson had reserved 7.5% in an operating agreement dated 2/28/27. In application for renewal lease dated 1/28/58, it is stated that the lessee had obtained from Horace Rawson and his wife, Helen Rawson, a release and relinquishment of overriding royalty and the lease is not subject to any overriding royalties. A photocopy of the release is stated to be attached, but it is not filed of record.

12.5% Royalty to U.S.A

Notes:

JUL 15 2015

LC 029009-B

T.20 South - R.29 East
Section 24:N2NE

Renewal Lease
06/30/2020

Lessee :

Chevron USA Inc.
15 Smith Rd.
Midland, TX 79705

RUN SHEET:

We are unable to provide a run sheet of the instruments in the base lease LC 029009-A, as it has terminated and has been sent to the Federal Records Center in Denver, Co. All prospecting permit instruments and documents before the lease issuance are in this file.

Oil & Gas Lease LC 029009-B issued 10/14/31 to Andrew Dooley for 20 years with the right to renew for successive 10 yr. periods, with a sliding scale royalty to USA

Apparently there was an assignment from Andrew Dooley to to George F. Getty Oil Co. on 4/15/32 however it is not located in the file.

Assignment dated 12/30/36 from George F. Getty Oil Co. to George F. Getty, Inc.; 100%

Renewal Lease LC 029009-B issued 7/1/60 to Getty Oil Co for 10 years with the right to renew for successive 10 yr. periods, with a sliding scale royalty to the USA.

Assignment of Operating Rights dated 2/18/66 from Getty Oil Co. to Odessa Natural Gas Co. covering a 1/2 interest as to all lands below the base of the Yates formation.

Assignment of Overriding Royalty dated 7/24/67 from Odessa Natural Gas Co. to El Paso Natural Gas Co. a 1/2 of 1% as to all lands below the base of the Yates formation.

Renewal Lease issued to Getty Oil Co. on 7/1/70 for 10 years with the right to renew for successive 10 yr. periods, with a sliding scale royalty to the USA

Assignment of operating rights dated 2/3/70 from Odessa Natural Gasoline Co. to Getty Oil Co. covering all of assignor's operating rights as to all lands.

Renewal Lease LC 029009-B issued 7/1/80 to Getty Oil Co. for 10 years with the right to renew for successive 10 yr. periods, with a sliding scale royalty to the USA

Assignment of Record Title dated 7/17/85 from Getty Oil Co. to Texaco Producing Inc. 100% as to all lands.

Renewal Lease LC 029009-B issued 7/1/90 for a 10 year period to Texaco Producing, Inc. at a royalty rate of 12.5% to USA.

Decision of 4/9/91 recognized the name change of Texaco Producing Inc. to Texaco Exploration and Production, Inc.

Renewal lease LC 029009-B issued 7/1/00 to Texaco Exploration & Prod. Inc. for 20 years with 12.5% royalty to the USA.

Assign. of record title dated 5/6/02 from Texaco Exploration & Prod. Inc.
to Chevron USA Inc. 100% as to all lands.

OPERATING RIGHTS:

| | |
|--------|------|
| Lessee | 100% |
|--------|------|

OVERRIDING ROYALTY:

Below the base of the Yates formation as to all lands:

| | |
|----------------------|-----|
| El Paso Nat. Gas Co. | .5% |
| P.O. Box 1492 | |
| El Paso, TX 79999 | |

12.5% Royalty to U.S.A

Notes:

Oil and Gas Lease

JUL 15 2015

NM 129731

T.20 South - R.29 East
Section 24:NENW

Competitive Lease
3/31/2023

Lessee :

Devon Energy Prod. Co. LP
333 West Sheridan Ave.
Oklahoma City, OK 73102

RUN SHEET:

Competitive lease NM 129731 issued 4/1/13 to Daniel E. Gonzales for 10 yrs.
with 12.5% royalty to the USA.

Assign. of record title dated 5/15/13 from Daniel E. Gonzales & Iliana
Gonzales to Devon Energy Prod. Co. LP 100% as to all lands, no overriding
royalty reserved.

OPERATING RIGHTS:

Lessee

100%

OVERRIDING ROYALTY:

None filed of record.

12.5 % ROYALTY TO THE USA

Notes:

SCHUTZ ABSTRACT CO., INC.

P.O. BOX 973

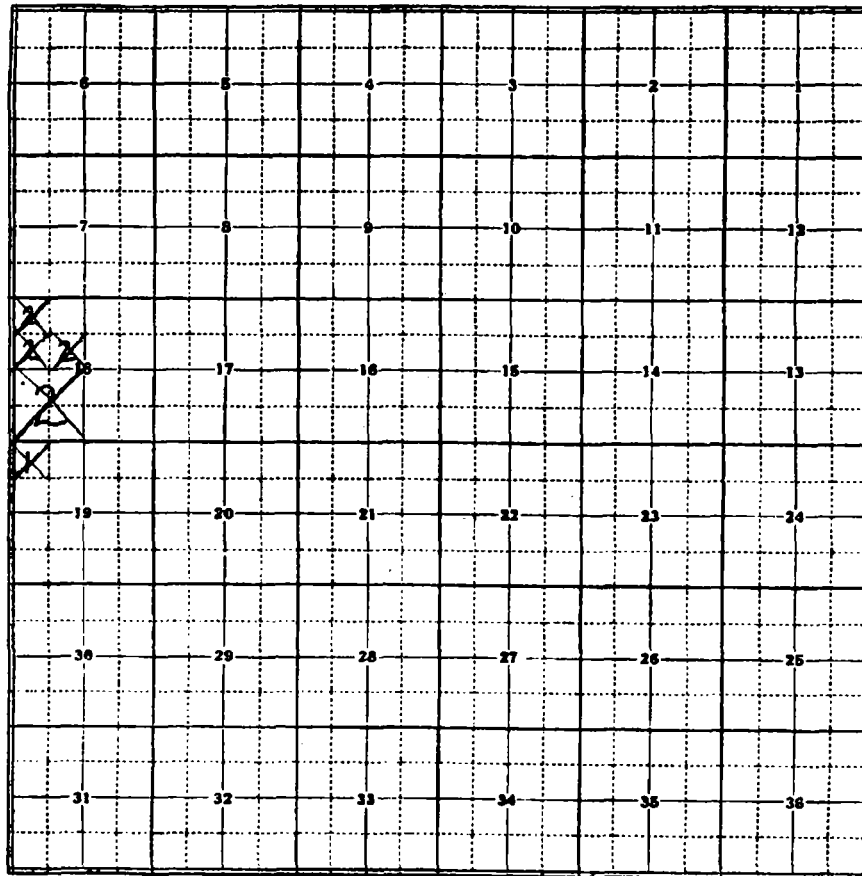
(505) 982-0130

SANTA FE, NEW MEXICO 87504

T. 20 South - R. 30 East

Eddy County

07/14/15



XRED - STATE LAND
BLUE - FEE LAND

1. V-6733-2

2. V-5391-3

JUL 14 2015

V-6733-2

T.20 South - R.30 East
Section 19:LOTS 1 (NWNW)

L-H.B.P
11/01/02

Lessee :

COG Operating LLC/
Concho Oil & Gas LLC
One Concho Center
600 W. Illinois Ave.
Midland, Texas 79701

Lease issued November 1, 2002 to Pitch Energy Corporation.

Assignment dated April 13, 2004 from Pitch Energy Corporation to Marbob Energy Corporation and Pitch Energy Corporation.

Assignment dated November 12, 2010 from Marbob Energy Corporation and Pitch Energy Corporation to COG Operating LLC/Concho Oil & Gas LLC.

MISCELLANEOUS INSTRUMENTS:

None filed of record.

1/6 ROYALTY TO THE STATE OF NEW MEXICO

Notes:

JUL 14 2015

V-5391-3

T.20 South - R.30 East
Section 18:LOTS 1,2,3,4,E2W2

L-H.B.P
11/01/98

Lessee :

COG Operating LLC/
Concho Oil & Gas LLC
One Concho Center
600 W. Illinois Ave.
Midland, Texas 79701

Lease issued November 1, 1998 to Doug J. Schutz.

Assignment dated December 1, 1998 from Doug J. Schutz to Matador Petroleum Corporation.

Assignment dated July 31, 2003 from Matador E&P Company (formerly Matador Petroleum Corporation) to Marbob Energy Corporation.

Assignment dated November 12, 2010 from Marbob Energy Corporation to COG Operating LLC/Concho Oil & Gas LLC.

MISCELLANEOUS INSTRUMENTS:

None filed of record.

1/6 ROYALTY TO THE STATE OF NEW MEXICO

Notes:

Lot 1,NENW shows to be committed to the Coinflip State Com Well #2H
Communitization Agreement dated effective January 16, 2014.

Lot 2,SEnw shows to be committed to the Coinflip State Com Well #3H
Communitization Agreement dated effective January 16, 2014.

ATTACHMENT VI

**No Wells Penetrate the Injection Zone within the AOR of the Proposed SWD
Well**

ATTACHMENT VII

Operation Summary

Well: Outer Banks SWD #1

Location: 1990' FSL and 955' FEL

Unit I (NE/4, SE/4), Section 13, Township 20 South, Range 29 East,
Eddy County, New Mexico

Injection Zone: Devonian

Well TD: 14,000'

Summary:

1. Proposed average daily injection rate is 16,000 bbl/day with maximum daily injection rate of 20,000 bbl/day
2. This will be a closed system
3. Proposed average injection pressure is 2,800 psi with maximum pressure of 2,800 psi
4. Source of injection fluid will be exempt liquid E & P waste
5. There are nine wells that exist within ½ mile of the proposed well, but they do not penetrate the injection zone. Two wells penetrating the injection interval (Federal Dooley #1 [30-015-10044] and Big Eddy Unit #1 [30-015-02475]) were reviewed to evaluate the reservoir quality for the proposed injection interval. The Federal Dooley #1 well, drilled by Odessa Natural Gasoline Company, is located about 1.5 miles southwest of the proposed Outer Banks SWD #1 well, in Unit M (SW/4, SW/4), Section 24, Township 20 South, Range 29 East, in Eddy County, New Mexico. The Big Eddy Unit #1 well, drilled by the Shell Oil Company, is located approximately 10.7 miles south of the proposed Outer Banks SWD #1 well, in Unit C (NE/4, NW/4), Section 36, Township 21 South, Range 28 East, in Eddy County, New Mexico. The Federal Dooley #1 well was drilled to 13,200 feet (TD). The Devonian section was found not to be productive of oil and gas.

ATTACHMENT VIII

Geologic Summary

Information on geological strata for this section was derived in part from a well (Federal Dooley #1) that was drilled about 1.5 miles southwest of the proposed Outer Banks SWD #1 in Unit M (SW/4, SW/4), Section 24, Township 20 South, Range 29 East (Nicholson and Clebsch, 1961). The well was drilled a total depth (TD) of 16,600 feet. Figure 1 presents a type log based on rock descriptions from the Federal Dooley #1 well.

The proposed SWD well is located just north of the Delaware Basin in the Capitan Reef Complex of the Northwestern Shelf. The area is underlain by a thin layer of Quaternary-age alluvium consisting of sand, silty sand and clay that rests directly on Triassic-age red bed (clay, mudstone, etc.) of the Dewey Lake formation.

The Triassic-age rocks are underlain by rocks of Permian-age that have a collective thickness of about 11,600 feet. The Permian formations include, in descending order, the Rustler, Salado, Castile, Artesia Group (Tansill and Yates formations), Capitan, Delaware Mountain Group (Bell Canyon, Cherry Canyon and Brushy Canyon formations), Bone Springs Limestone and Wolfcamp Shale. The Rustler formation occurs between about 350 and 550 feet and is composed chiefly of dolomite, dolomitic limestone, gypsum and mudstone.

The Salado and Castile formations are principally anhydrite, shale and limestone. The Salado formation contains economic deposits of potash and anhydrite and varies in thickness from about 1,500 to 2,000 feet. The Tansill and Yates formations are predominantly carbonates with some evaporates and a collective thickness between about 350 and 450 feet.

The Permian-age Capitan formation, also known as the Capitan aquifer, occurs below the Yates formation between approximately 3,500 and 5,000 feet. The formation developed around the margins of the Delaware Basin and is predominately limestone and dolomite.

The Delaware Mountain Group includes the Bell Canyon, Cherry Canyon and Brushy Canyon formations and underlies the Capitan formation. The Delaware Mountain Group occurs between approximately 5,000 to 8,000 feet and consists of a thick sequence of largely of deep marine sandstone interbedded with shale and limestone. Some oil and gas is produced from the Bell Canyon and Brushy Canyon formations.

The Bone Springs Limestone is comprised of thin beds of cherty black limestone and sandstone between approximately 1,500 to 2,500 feet thick. The Bone Springs occurs between

approximately 8,000 and 10,500 feet near the Okerlund SWD. Oil and gas is produced from several distinct intervals in the Bone Springs Limestone. The Wolfcamp Shale is the lowermost Permian-age formation and is composed of non-organic between approximately 10,500 and 12,000 feet. The Wolfcamp Shale marks the boundary between rocks of Permian and Pennsylvanian-age.

Rocks of Pennsylvanian age comprise a sequence of marine carbonates, shale and clastics with a combined thickness of about 775 feet between about 12,000 and 12,700 feet. The Strawn formation (Middle Pennsylvanian) occurs beneath the Wolfcamp Shale and is composed of about 300 feet of shale and sandstone, mudstone and conglomerate. The Atoka and Morrow formations, in descending order, occur beneath the Strawn formation and are about 475 and 650 feet thick, respectively. The Atoka formation is composed interbedded sandstone whereas the Morrow formation is composed of limestone in the upper part and clastics in the lower part.

Rocks of Mississippian age underlie the Morrow formation and are represented by the Barnett Shale and Mississippian Lime, in descending order, with a collective thickness of about 600 feet. The Mississippian-age rocks are underlain by the Upper Devonian-age Woodford Shale, which is approximately 175 feet thick and is composed predominately of black organic-rich marine shale, siltstone and sandstone. The Woodford Shale occurs above the Devonian section at about 14,000 feet. Rocks of Siluro-Devonian age underlie the Woodford Shale and are composed mainly of chert and cherty carbonate rocks. The Siluro-Devonian rocks occur between about 14,000 and 16,000 feet. The proposed depth of the proposed injection well is 16,000 feet with injection interval to be determined from field observations. The Siluro-Devonian rocks are underlain by Ordovician-age rocks represented by the Montoya, Simpson and Ellenberger formations, in descending order.

Figure 1: presents a type log based on a test well (Federal Dooley#1) that was drilled to 13,200 feet (TD) The well was drilled about 1.5 miles southwest of the proposed Outer Banks SWD #1 in Unit M (SW/4, SW/4), Section 24, Township 20 South and Range 29 East.

Figure 2: presents a detailed geological cross section of the injection zone. The geological cross section (A to A') was prepared based on rock descriptions from the Federal Dooley #1 and Big Eddy Unit #1 located in Unit C (NE/4, NW/4), Section 36, Township 21 South, Range 28 East, a distance of about 10.6 miles. The cross section transects the Capitan Reef from north to south. The cross section does not show any offsets that would suggest faulting is present. The cross section shows good correlation of the Siluro – Devonian contact and the potential injection zone.

Groundwater Summary

The Outer Banks SWD #1 is located over the Capitan Reef, a geologic feature that developed around the margins of the Delaware Basin. Groundwater occurs in the Permian-age Rustler and Capitan formations. Groundwater in the Rustler formation occurs in dolomite beds in the upper part and gypsum beds near the base of the formation. Groundwater from the lower part of the Rustler formation is generally very saline to saturated brine. Groundwater occurs in limestone units in the Capitan formation. The Capitan aquifer is the principal water source for the City of Carlsbad, New Mexico. However, near the Outer Banks SWD water quality is generally poor due to elevated levels of sodium, chloride and sulfate.

According to the water report compiled by Geosearch there are no freshwater wells present in the area. Records obtained from the New Mexico Office of the State Engineer and U.S. Geological Survey show no freshwater wells within a one-mile radius of the proposed Outer Banks SWD Well #1.

References:

- Nicholson, A., Jr., and A. Clebsch, 1961, Geology and Ground-Water Conditions in Southern Lea County, New Mexico, *in* Ground-Water Report 6: U.S. Geological Survey, State Bureau of Mines and Mineral Resources, New Mexico Institute of Mining and Technology, Campus Station, Socorro, New Mexico. p. 123
- Hendrickson, G.E., and Jones, R.S., 1952, Geology and Groundwater Resources of Eddy County, New Mexico. *in* Ground-Water Report 3: U.S. Geological Survey, State Bureau of Mines and Mineral Resources, New Mexico Institute of Mining and Technology, Campus Station, Socorro, New Mexico.

***Refer to attached figures and copy of Office of the State Engineer Well Inventory
and Geosearch Water Well Report***

Odessa Natural Gasoline Company Federal Dooley #1

Sec. 24, T-20-S, R-29-E Eddy County, New Mexico

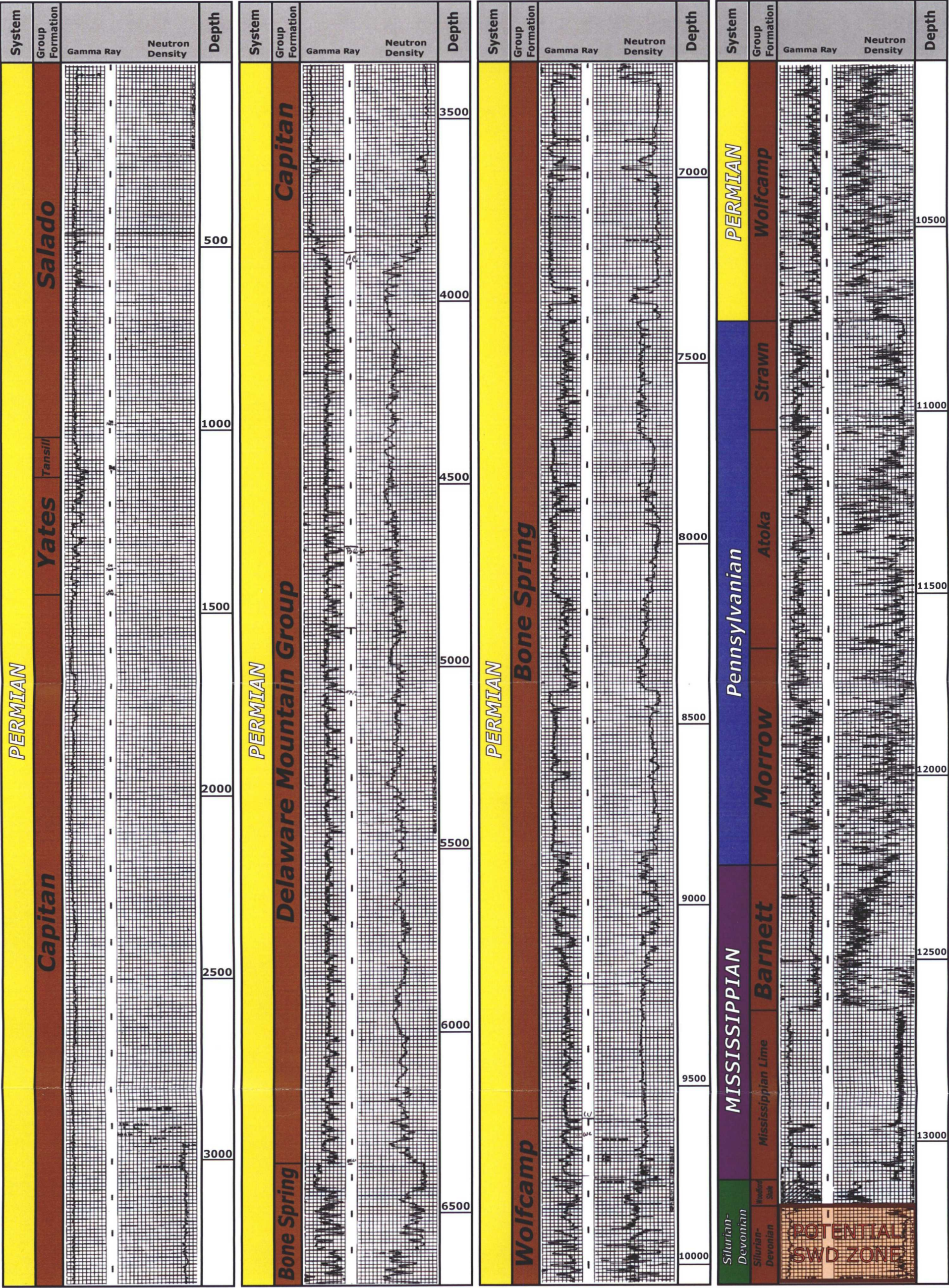
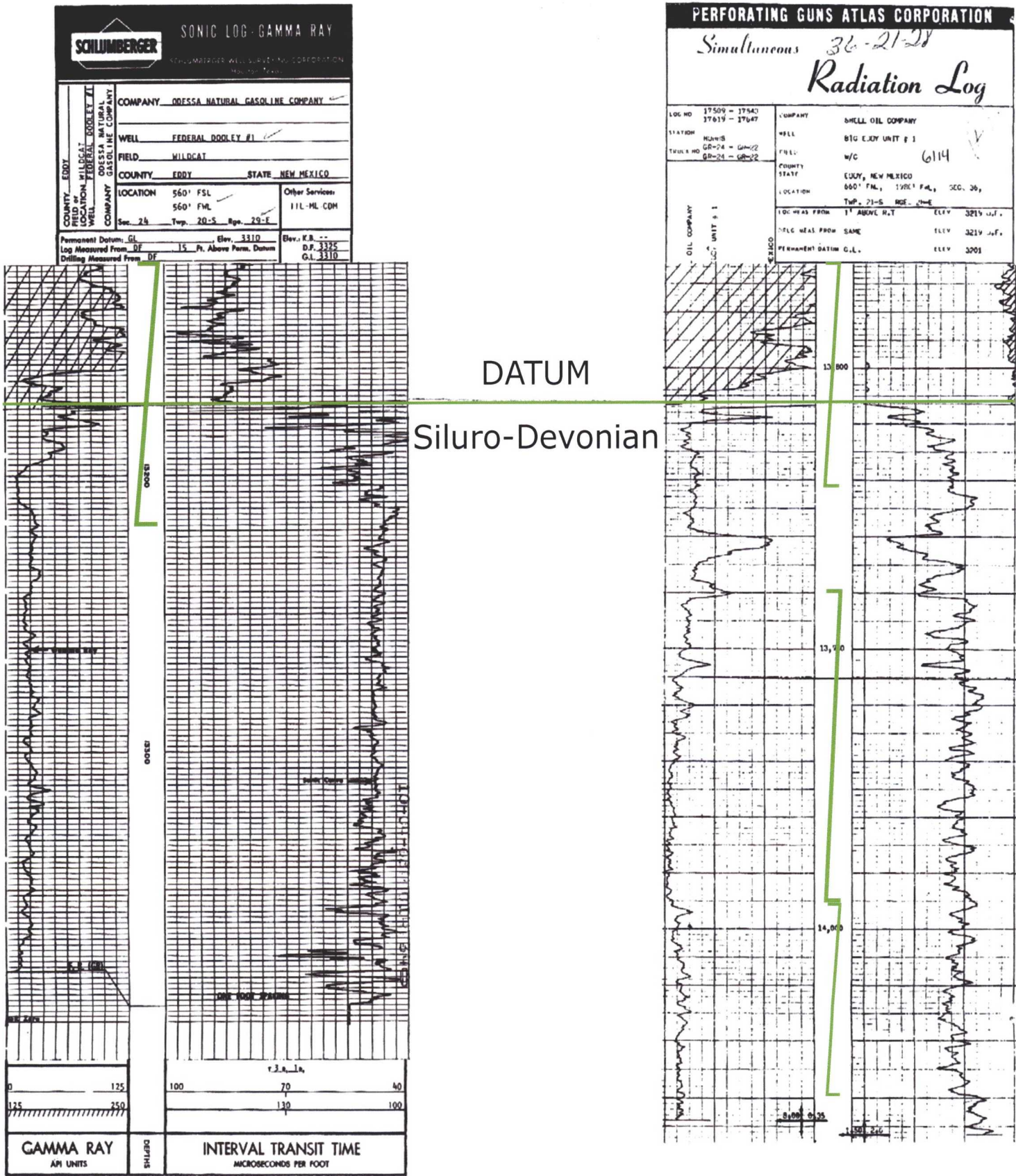


FIGURE 6: TYPICAL SECTION OF ROCKS PENETRATED

N A A' S





Water Well Report

<http://www.geo-search.net/QuickMap/index.htm?DataID=Standard0000114584>

Click on link above to access the map and satellite view of current property

Target Property:

Outerbanks SWD

Artesia, Eddy County, New Mexico 88210

Prepared For:

Larson & Associates

Order #: 52472

Job #: 114584

Project #: 15-0126-00

PO #: 1703

Date: 07/22/2015

TARGET PROPERTY SUMMARY

Outerbanks SWD

Artesia, Eddy County, New Mexico 88210

USGS Quadrangle: **Illinois Camp Se, NM**

Target Property Geometry: **Point**

Target Property Longitude(s)/Latitude(s):

(-104.023278, 32.571819)

County/Parish Covered:

Eddy (NM)

Zipcode(s) Covered:

Artesia NM: 88210

State(s) Covered:

NM

***Target property is located in Radon Zone 2.**

Zone 2 areas have a predicted average indoor radon screening level between 2 and 4 pCi/L (picocuries per liter).

Disclaimer - The information provided in this report was obtained from a variety of public sources. GeoSearch cannot ensure and makes no warranty or representation as to the accuracy, reliability, quality, errors occurring from data conversion or the customer's interpretation of this report. This report was made by GeoSearch for exclusive use by its clients only. Therefore, this report may not contain sufficient information for other purposes or parties. GeoSearch and its partners, employees, officers and independent contractors cannot be held liable for actual, incidental, consequential, special or exemplary damages suffered by a customer resulting directly or indirectly from any information provided by GeoSearch.



www.geo-search.com · phone: 888-396-0042 · fax: 512-472-9967

DATABASE FINDINGS SUMMARY

| DATABASE | ACRONYM | LOCA- TABLE | UNLOCA- TABLE | SEARCH RADIUS (miles) |
|--|---------|----------------|------------------|-----------------------------|
| <u>FEDERAL</u> | | | | |
| UNITED STATES GEOLOGICAL SURVEY NATIONAL WATER INFORMATION SYSTEM | NWIS | 0 | 0 | 1.0000 |
| SUB-TOTAL | | 0 | 0 | |
| <u>STATE (NM)</u> | | | | |
| WATER ADMINISTRATION TECHNICAL ENGINEERING RESOURCE WATERS SYSTEM | | 0 | 0 | 1.0000 |
| SUB-TOTAL | | 0 | 0 | |

| | | |
|--------------|----------|----------|
| TOTAL | 0 | 0 |
|--------------|----------|----------|



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LOCATABLE DATABASE FINDINGS

| ACRONYM | SEARCH RADIUS (miles) | TP/AP (0 - 0.02) | 1/8 Mile (> TP/AP) | 1/4 Mile (> 1/8) | 1/2 Mile (> 1/4) | 1 Mile (> 1/2) | > 1 Mile | Total |
|--------------------------|-----------------------------|---------------------|-----------------------|---------------------|---------------------|-------------------|----------|-------|
| <u>FEDERAL</u> | | | | | | | | |
| NWIS | 1.000 | 0 | 0 | 0 | 0 | 0 | NS | 0 |
| SUB-TOTAL | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>STATE (NM)</u> | | | | | | | | |
| WATERS | 1.000 | 0 | 0 | 0 | 0 | 0 | NS | 0 |
| SUB-TOTAL | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | |
|-------|---|---|---|---|---|---|---|---|
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|-------|---|---|---|---|---|---|---|---|

NOTES:

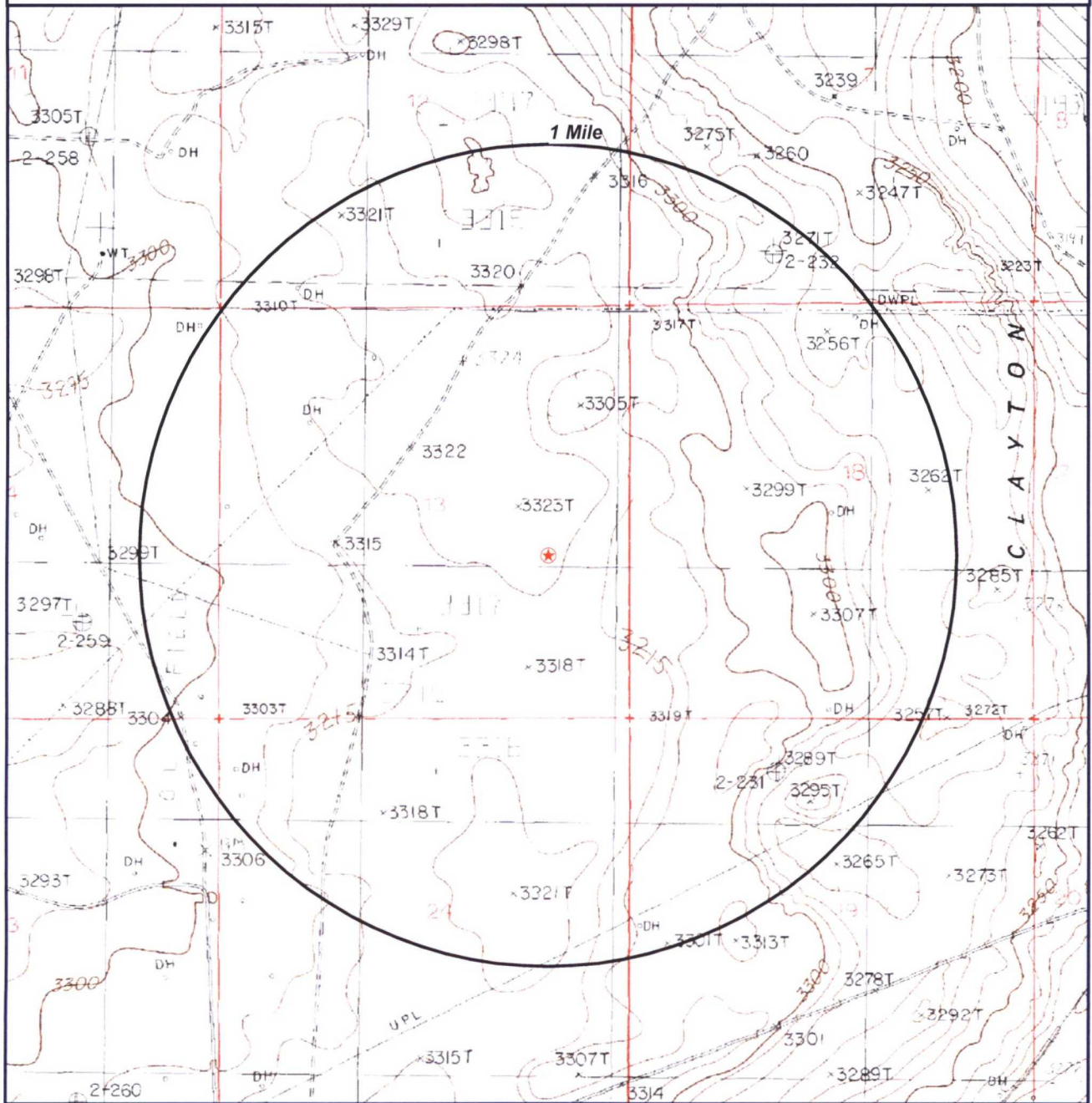
NS = NOT SEARCHED

TP/AP = TARGET PROPERTY/ADJACENT PROPERTY



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WATER WELL MAP



★ Target Property (TP)

Outerbanks SWD
Artesia, New Mexico
88210

CONTOUR LINES REPRESENTED IN FEET



0' 1000' 2000' 3000'
 SCALE: 1" = 2000'

GeoSearch

www.geo-search.com - phone: 888-396-0042 - fax: 512-472-9967

ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

NWIS

United States Geological Survey National Water Information System

VERSION DATE: 7/2014

This USGS National Water Information System database only includes groundwater wells. The USGS defines this well type as: A hole or shaft constructed in the earth intended to be used to locate, sample, or develop groundwater, oil, gas, or some other subsurface material. The diameter of a well is typically much smaller than the depth. Wells are also used to artificially recharge groundwater or to pressurize oil and gas production zones. Additional information about specific kinds of wells should be recorded under the secondary site types or the Use of Site field. Underground waste-disposal wells should be classified as waste-injection wells.



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ENVIRONMENTAL RECORDS DEFINITIONS - STATE (NM)

WATERS

Water Administration Technical Engineering Resource System

VERSION DATE: 4/2014

This water well location data was extracted from the NM Office of the State Engineer's Water Administration Technical Engineering Resource System database. Changes are periodically added to the information and may be made at any time. The database may contain information for areas not complete, including in-progress areas, this information should not be relied on as accurate or complete.



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New Mexico Office of the State Engineer **Wells with Well Log Information**

No wells found.

PLSS Search:

Section(s): 7

Township: 20S

Range: 30E



New Mexico Office of the State Engineer **Wells with Well Log Information**

No wells found.

PLSS Search:

Section(s): 13

Township: 20S

Range: 29E



New Mexico Office of the State Engineer **Wells with Well Log Information**

No wells found.

PLSS Search:

Section(s): 14

Township: 20S

Range: 29E



New Mexico Office of the State Engineer **Wells with Well Log Information**

No wells found.

PLSS Search:

Section(s): 18

Township: 20S

Range: 30E



New Mexico Office of the State Engineer **Wells with Well Log Information**

No wells found.

PLSS Search:

Section(s): 19

Township: 20S

Range: 30E



New Mexico Office of the State Engineer **Wells with Well Log Information**

No wells found.

PLSS Search:

Section(s): 24

Township: 20S

Range: 29E

ATTACHMENT IX

Proposed Stimulation Program

The well will be perforated in intervals based on porosity and acidized. Coiled tubing will be used to place the acid across the porous zones accurately.

ATTACHMENT X

Logging and Test Data

A type log (Figure 1) was prepared from a test well (Federal Dooley #1) that was drilled 13,200 feet (TD). The well was drilled about 1.5 miles southwest of the proposed SWD in Unit M (SW/4, SW/4), Section 24, Township 20 South and Range 29 East. The well was logged with conventional logging tools available at the time.

ATTACHMENT XI

Chemical Analysis from Fresh Water Well

According to records from the New Mexico Office of the State Engineer and a water report from Geosearch, no fresh water wells are located within 1-mile of the Outer Banks SWD well therefore no chemical analysis for fresh water is available.

***Refer to attached Office of the State Engineer Well Inventory and Geosearch
Water Well Report
(Attachment VIII)***

ATTACHMENT XII

Faults and Hydrologic Connections

Statement

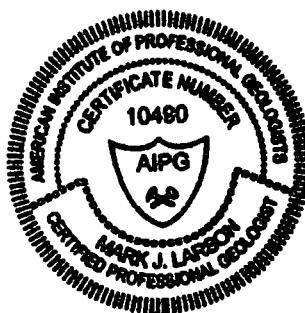
I, Mark J. Larson, have reviewed available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.



Mark J. Larson

5-18-2016

Date



ATTACHMENT XIII

Proof of Notice

The following parties were identified as having surface/mineral/lease ownership within one-half mile of the proposed SWD well and were notified on May 20, 2016:

Abo Petroleum Corp.

105 South 4th street

Artesia, NM 88210

Devon Energy Production Company, LP

333 West Sheridan Avenue

Oklahoma City, OK 73102

U.S. Bureau of Land Management

Carlsbad Field Office

620 East Greene Street

Carlsbad, NM 88220

Myco Industries, Inc.

105 South 4th Street

Artesia, NM 88210

Chevron USA, Inc.

15 Smith Road

Midland, TX 79705

Northern Trust Bank of California, NA

Trustee of the Estate of Sarah C. Getty

P.O. Box 226270

Dallas, TX 75222-6720

Concho Oil & Gas, LLC

One Concho Center

600 West Illinois Avenue

Midland, TX 79701

OXY USA, Inc.

P.O. Box 27570

Houston, TX 77227

Yates Petroleum Corp.

105 South 4th Street

Artesia, NM 88210

Refer to attached Letters of Notification



WASTE CONNECTIONS, INC.
Connect with the Future®

May 20, 2016

Yates Petroleum Corp.
105 South 4th Street
Artesia, NM 88210

Re: Application for Salt Water Disposal (Outer Banks SWD #1) Well, R360 Permian Basin, LLC, Unit I (NE/4, SE/4), Section 13 Township 20 South, Range 29 East, Eddy County, New Mexico

Dear Lessee:

You are receiving a copy of the enclosed application because you have been identified as having an oil and gas lease within one-half mile of a proposed commercial salt water disposal well (Outer Banks SWD #1). R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., located at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Oil Conservation Division (OCD) in Santa Fe, New Mexico. You have 15 days to submit comments to the OCD at the District 2 office located at 811 South First St. Artesia, New Mexico 88210 or 1220 South St. Francis Drive in Santa Fe, New Mexico 87505. Please forward a copy of your correspondence to Gary Wallace. You may contact Mr. Wallace by phone (281.873.3204 or 432.638.4076) or email gwallace@r360es.com, if you have questions.

Sincerely,

Waste Connections, Inc.

Luke Bross
Legislative & Regulatory Affairs | Development

Enc/



PUBLIC NOTICE

The attached public notice was submitted to the Hobbs News Sun on May 20, 2016, for one-time publication.

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Outer Banks SWD #1). The well will be located 1990' FSL and 955' FEL, in Unit I (NE/4, SE/4), Section 13, Township 20 South, Range 29 East, in Eddy County, New Mexico. The well will be located approximately 19 miles northeast of Carlsbad, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 13,000' and 14,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.

PUBLIC NOTICE

The attached public notice was submitted to the Hobbs News Sun on May 20, 2016, for one-time publication.

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Outer Banks SWD #1). The well will be located 1990' FSL and 955' FEL, in Unit 1 (NE/4, SE/4), Section 13, Township 20 South, Range 29 East, in Eddy County, New Mexico. The well will be located approximately 19 miles northeast of Carlsbad, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 13,000' and 14,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.

McMillan, Michael, EMNRD

From: Michael Gant <mgant@laenvironmental.com>
Sent: Friday, July 15, 2016 7:19 AM
To: McMillan, Michael, EMNRD
Subject: RE: Cypress and Outer Banks SWD permits

Mr. McMillan,

Based off the drilling plan I was provided, 800 sacks will be used at the lead interval and 575 sack for the tail interval. It also says that it will be circulated to surface.

I talked with Will Jones yesterday about the status of both Cypress and Outer Banks, and he said that both have been suspended but did not have reasons listed for the suspension. Return receipts and affidavits for both permit applications have been submitted. Can you please provide me with a status update for the Cypress SWD permit application, or at least a reason for the suspension?

Thank you.

Michael Gant

Senior Geologist
432-664-5357



From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Thursday, July 14, 2016 5:28 PM
To: Michael Gant
Subject: RE: Cypress and Outer Banks SWD permits

How many sacks are you planning for the Outer Banks surface casing?

It is 4 string BLM area, so all casings will have to be circulated to the surface.

Thanks

Mike

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 7118 9956 3285 5970 88

FEES
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Return Receipt Fee 2.70
Total Postage & Fees: \$12.80

ARTICLE ADDRESS TO:
One Concho Center
Concho Oil & Gas, LLC
600 West Illinois Avenue
Midland TX 79701-4882



PS Form 3800 6/02

CERTIFIED MAIL

9402 7118 9956 3285 2843 84

RETURN RECEIPT REQUESTED

Article Addressed To:



Chevron USA, Inc.
15 Smith Road
Midland TX 79705-5423

Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☒ Addressee or ☐ Agent)

X *Chut Sa*

B. Received By: (Please Print Clearly)

C. Laurence

C. Date of Delivery

D. Addressee's Address (If Different From Address Used by Sender.)

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Delivery Address

City State ZIP + 4 Code

PS Form 3800 6/02

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One Concho Center
Concho Oil & Gas, LLC
600 West Illinois Avenue
Midland TX 79701-4882

Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

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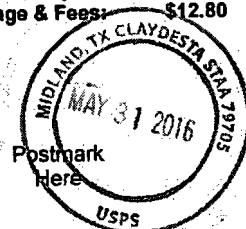
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Total Postage & Fees: \$12.80

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Chevron USA, Inc.
15 Smith Road
Midland TX 79705-5423

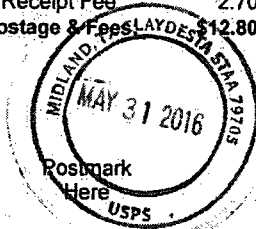


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ARTICLE ADDRESS TO:
Yates Petroleum Corp.
105 South 4th Street
Artesia NM 88210-2122

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Total Postage & Fees \$12.80



Mark Larson
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MIDLAND, TX 79701

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City State ZIP + 4 Code

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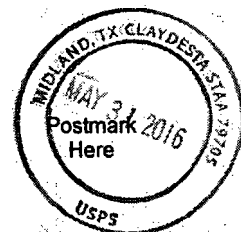
Yates Petroleum Corp.
105 South 4th Street
Artesia NM 88210-2122

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9402 7118 9956 3285 2799 77

ARTICLE ADDRESS TO:
ABO Petroleum Corp.
105 South 4th Street
Artesia NM 88210-2177

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Return Receipt Fee 2.70
Total Postage & Fees: \$12.80



Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

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C. Date of Delivery

6/2/16

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Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

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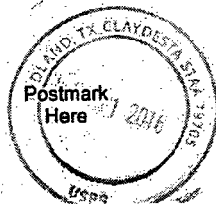
ABO Petroleum Corp.
105 South 4th Street
Artesia NM 88210-2177

U.S. Postal Service
Certified Mail Receipt

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9402 7118 9956 3285 2940 00

FEES
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Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$13.75

ARTICLE ADDRESS TO:
Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City OK 73102-5010



Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

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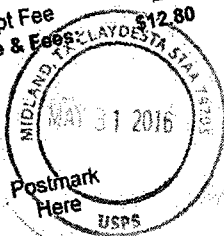
Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City OK 73102-5010

Certified Mail Receipt
U.S. Postal Service

ARTICLE NUMBER
9402 7118 9956 3285 2507 92

ARTICLE ADDRESS TO:
Carlsbad Field Office
U.S. Bureau of Land Management
620 East Greene Street
Carlsbad NM 88220-6292

FEES
Postage per piece \$6.80
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees \$12.80



Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

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[Signature]

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6/02/16

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State ZIP + 4 Code

City

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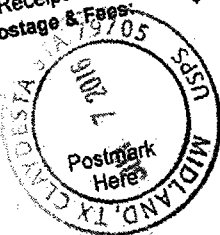
Carlsbad Field Office
U.S. Bureau of Land Management
620 East Greene Street
Carlsbad NM 88220-6292

Certified Mail Receipt
U.S. Postal Service

ARTICLE NUMBER
9402 7118 9956 3285 5577 85

ARTICLE ADDRESS TO:
Myco Industries, Inc.
105 South 4th Street
Artesia NM 88210-2177

FEES
Postage per piece \$6.80
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees \$12.80



Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

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A. Signature: (If Addressee or Agent)
[Signature]

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C. Date of Delivery
6/9/16

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Delivery Address

State ZIP + 4 Code

City

PS Form 3800 6/02

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Article Addressed To:

Myco Industries, Inc.
105 South 4th Street
Artesia NM 88210-2177

U.S. Postal Service
Certified Mail Receipt

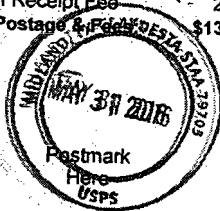
ARTICLE NUMBER
9402 7118 9956 3285 5769 77

FEES

Postage per piece \$7.75
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees \$13.75

ARTICLE ADDRESS TO:

OXY USA, Inc.
P.O. Box 27570
Houston TX 77227-7570



Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

COMPLETE THIS SECTION ON DELIVERY

A. Signature: (☒ Addressee or ☐ Agent)

X *Mark Larson*

B. Received By: (Please Print Clearly)

ROOSEVELT

C. Date of Delivery

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

City State ZIP + 4 Code

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Article Addressed To:

OXY USA, Inc.
P.O. Box 27570
Houston TX 77227-7570

U.S. Postal Service
Certified Mail Receipt

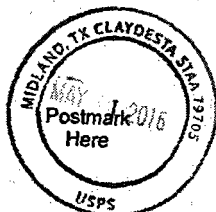
ARTICLE NUMBER
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FEES

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Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$13.75

ARTICLE ADDRESS TO:

Northern Trust Bank of California
Trustee of the Estate of Sarah C Getty
PO Box 2262
Dallas TX 75222



Mark Larson
507 N. MARIENFELD ST. SUITE 205
MIDLAND, TX 79701

COMPLETE THIS SECTION ON DELIVERY

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X *Roosevelt Ballard*

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ROOSEVELT BALLARD

C. Date of Delivery

JUN 02 2016

D. Addressee's Address (If Different From Address Used by Sender)

Secondary Address / Suite / Apt. / Floor (Please Print Clearly)

Delivery Address

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CERTIFIED MAIL

9402 7118 9956 3285 5275 11

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Article Addressed To:

Northern Trust Bank of California
Trustee of the Estate of Sarah C Getty
PO Box 2262
Dallas TX 75222

| wellname | api | section | township | range | unit | fgns | ftgew | formation | samplesource | ph | ph_temp_F | tds_mgL | calcium_mgL | iron_mgL | magnesium_mgL | chloride_mgL | bicarbonate_mgL | sulfate_mgL |
|------------------------------|------------|---------|----------|-------|------|-------|-------|-------------------|--------------|-----|-----------|---------|-------------|----------|---------------|--------------|-----------------|-------------|
| SLINKARD UR FEDERAL COM #002 | 3001524722 | 11 | 20S | 29E | F | 1980N | 1980W | STRAWN | | 6.2 | | | 11480 | 43.8 | 1197.8 | 77532 | 244 | 12.5 |
| SLINKARD UR FEDERAL #001 | 3001523698 | 11 | 20S | 29E | H | 1980N | 660E | STRAWN | | 6.1 | | 117276 | 9200 | 5 | 1949.2 | 72846 | 146 | 50 |
| TRIGG AIN FEDERAL #001 | 3001526697 | 28 | 20S | 29E | H | 1980N | 660E | STRAWN | | 6.1 | | 90200.5 | 8440 | 15 | 248.5 | 55380 | 244 | 12.5 |
| SLINKARD UR FEDERAL COM #004 | 3001526762 | 12 | 20S | 29E | C | 660N | 1980W | STRAWN | | 6.2 | | 113541 | 8520 | 23.8 | 734.3 | 69864 | 171 | 12.5 |
| ZINNIA BKC FEDERAL #001 | 3001527939 | 27 | 20S | 29E | E | 1980N | 910W | DELAWARE/WOLFCAMP | | 5.7 | | 189739 | 23920 | 0.3 | 963.2 | 116724 | 427 | 750 |
| YATES FEDERAL #001 | 3001520008 | 32 | 20S | 29E | P | 660S | 660E | STRAWN | DST | 5.9 | | 108466 | | | | 66700 | 146 | 270 |
| YATES FEDERAL #001 | 3001520008 | 32 | 20S | 29E | P | 660S | 660E | STRAWN | DST | 5.9 | | 99199 | | | | 61300 | 146 | 180 |
| STATE #001 | 3001503625 | 2 | 20S | 29E | O | 660S | 1980E | MORROW | WELLHEAD | | | 31170 | | | | | | |
| MCKEE #001 | 3001503642 | 11 | 20S | 29E | K | 2310S | 2310W | ARTESIA | UNKNOWN | | | 29411 | | | | 14350 | 1578 | 2808 |
| MCKEE #001 | 3001503642 | 11 | 20S | 29E | K | 2310S | 2310W | ARTESIA | WELLHEAD | | | 28684 | | | | 17030 | 61 | 612 |
| TEXACO FED #001 | 3001503645 | 13 | 20S | 29E | C | 660N | 1980W | ARTESIA | SWAB | | | 26017 | | | | 12160 | 1622 | 3042 |
| TRIGOOD ST #001 | 3001510002 | 2 | 20S | 29E | E | 1980N | 660W | ARTESIA | WELLHEAD | | | 23528 | | | | 8526 | 2416 | 4466 |
| DOOLEY #001 | 3001510044 | 24 | 20S | 29E | M | 560S | 560W | MORROW | UNKNOWN | | | 11718 | | | | 4466 | 1634 | 1441 |
| DOOLEY #001 | 3001510044 | 24 | 20S | 29E | M | 560S | 560W | MORROW | TANK | | | 31191 | | | | 18540 | 188 | 1318 |

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Erin CoatsSmith, being first duly
sworn, on oath says:

That she is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

May 20 2016

That the cost of publication is **\$70.15**
and that payment thereof has been
made and will be assessed as court
costs.

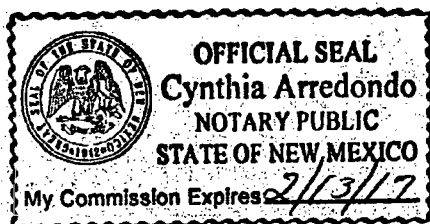
Erin Coats-Smith

Subscribed and sworn to before me
this 8 day of June,
2016

Cynthia Arredondo

My commission Expires
2/13/17

Notary Public



May 20, 2016

PUBLIC NOTICE

R360 Permian Basin, LLC, a wholly owned subsidiary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, has submitted an application to the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division for a commercial salt water disposal well (Outer Banks SWD #1). The well will be located 1990' FSL and 955' FEL, in Unit 1 (NE/4, SE/4), Section 13, Township 20 South, Range 29 East, in Eddy County, New Mexico. The well will be located approximately 19 miles northeast of Carlsbad, New Mexico. The well is proposed to inject exempt liquid E & P waste into the Devonian between 13,000' and 14,000'. Interested parties must file objections within 15 days of the date of this publication or prior to release of this permit. Objections or concerns should be copied both to this applicant and to the Director of the New Mexico Oil Conservation Division at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, (505) 476-3448.



C-108 Review Checklist: Received _____ Add. Request: _____ Reply Date: _____ Suspended: _____ [Ver 15]

ORDER TYPE: WFX / PMX / SWD Number: _____ Order Date: _____ Legacy Permits/Orders: SWD-1599

Well No. 1 Well Name(s): Oyster Banks SWD

API: 30-0 15-Penn Spud Date: 7/17 New or Old: _____ (UIC Class II Primacy 03/07/1982)

Footages 1940 FSL 955 FFL Lot _____ or Unit I Sec 13 Tsp 20S Rge 29E County Eddy

General Location: 2.3 miles SW Artesia Pool: SWD, Devonian Pool No.: 9610

BLM 100K Map: Artesia Operator: B360 Permian Basin, LLC OGRID: 289936 Contact: Lake Bauss

COMPLIANCE RULE 5.9: Total Wells: 7 Inactive: 0 Fincl Assur: NA Compl. Order? NA IS 5.9 OK? X Date: 8-04-2016

WELL FILE REVIEWED ☐ Current Status: Proposed

WELL DIAGRAMS: NEW: Proposed ☒ or RE-ENTER: Before Conv. ☐ After Conv. ☐ Logs in Imaging: NA

Planned Rehab Work to Well: _____

| Well Construction Details | Sizes (in) Borehole / Pipe | Setting Depths (ft) | Cement Sx or Cf | Cement Top and Determination Method |
|--|-------------------------------|------------------------|----------------------------|-------------------------------------|
| Planned ___ or Existing ___ Surface | <u>26 1/2"</u> | <u>500</u> | Stage Tool | <u>1375</u> <u>SURFACE / VISUAL</u> |
| Planned ___ or Existing ___ Interm/Prod | <u>17 1/2" / 13 3/8"</u> | <u>1500</u> | <u>1800</u> | <u>1940</u> <u>SURFACE / VISUAL</u> |
| Planned ___ or Existing ___ Interm/Prod | <u>12 1/4" / 9 5/8"</u> | <u>3800</u> | <u>3300</u> | <u>1145</u> <u>SURFACE / VISUAL</u> |
| Planned ___ or Existing ___ Prod/Liner | <u>8 1/2" / 7"</u> | <u>13180</u> | <u>57180</u> | <u>1725</u> <u>SURFACE / VISUAL</u> |
| Planned ___ or Existing ___ Liner | | | | |
| Planned ___ or Existing <input checked="" type="radio"/> OH / PERF | <u>13180 / 14180</u> | | Inj Length <u>1000'</u> | |

| Injection Lithostratigraphic Units: | Depths (ft) | Injection or Confining Units | Tops | Completion/Operation Details: |
|-------------------------------------|-------------|------------------------------|--------------|---|
| Adjacent Unit: Litho. Struc. Por. | | <u>600</u> | <u>1310</u> | Drilled TD <u>14180</u> PBDT _____ |
| Confining Unit: Litho. Struc. Por. | | <u>DU</u> | <u>1370</u> | NEW TD _____ NEW PBDT _____ |
| Proposed Inj Interval TOP: | | | <u>13180</u> | NEW Open Hole <input checked="" type="radio"/> or NEW Perfs <input type="radio"/> |
| Proposed Inj Interval BOTTOM: | | | <u>13170</u> | Tubing Size <u>4 1/2</u> in. Inter Coated? <u>X</u> |
| Confining Unit: Litho. Struc. Por. | | | | Proposed Packer Depth _____ ft |
| Adjacent Unit: Litho. Struc. Por. | | | | Min. Packer Depth _____ (100-ft limit) |
| | | | | Proposed Max. Surface Press. <u>280</u> psi |
| | | | | Admin. Inj. Press. <u>2636</u> (0.2 psi per ft) |

AOR: Hydrologic and Geologic Information

POTASH: R-111-P X Noticed? _____ BLM Sec Ord ☐ WIPP ☐ Noticed? _____ Salt/Salado T: 450 B: 1250 NW: Cliff House fm _____

FRESH WATER: Aquifer _____ Max Depth _____ HYDRO AFFIRM STATEMENT By Qualified Person ☒

NMOSE Basin: Capitan CAPITAN REEF: thru _____ adj _____ NA No. Wells within 1-Mile Radius? 0 FW Analysis _____

Disposal Fluid: Formation Source(s) _____ Analysis? _____ On Lease ☐ Operator Only ☐ or Commercial ☒

Disposal Int: Inject Rate (Avg/Max BWPD): 100/200 Protectable Waters? X Source: Capitan System: Closed or Open

HC Potential: Producing Interval? NA Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map ☐

AOR Wells: 1/2-M Radius Map? X Well List? X Total No. Wells Penetrating Interval: 0 Horizontals? 0

Penetrating Wells: No. Active Wells _____ Num Repairs? _____ on which well(s)? _____ Diagrams? _____

Penetrating Wells: No. P&A Wells _____ Num Repairs? _____ on which well(s)? _____ Diagrams? _____

NOTICE: Newspaper Date 5-20-2016 Mineral Owner BLM Surface Owner BLM N. Date 5/31/2016

RULE 26.7(A): Identified Tracts? _____ Affected Persons: COG, OXY, Chevron N. Date 6/1/2016, 6/2/2016, 6/3/2016

Order Conditions: Issues: Circulate all casings to surface

Add Order Cond: _____

* 4-String

* All casing circulated to surface.

✓ Drill island

* 4 1/2" C-32
7 1/2" surface